



Daily Report

East Asia

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Philippines' Ramos Urges Sustainable Development Policies for APEC

BK1207044096 Manila BUSINESS WORLD
in English 12 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] President Ramos yesterday urged the ministers of the 18 member economies of the Asia Pacific Economic Cooperation (APEC) forum to sustain economic growth in the region without sacrificing the environment.

In a speech during the opening of the APEC ministerial meeting on sustainable development at the Hotel Intercontinental in Makati City, Mr. Ramos said economic growth and sustainable development must be "mutually reinforcing" and not "diametrically opposed," even though striking a balance between the two is often hard to achieve.

"We place great emphasis on the preservation of the environment because we know that, after painstaking effort, we finally stand on the threshold of unprecedented growth and change," Mr. Ramos said.

"That threshold, unless we watch our step and look when we cross, could very well be the brink of environmental disaster."

As chair of this year's APEC process, the Philippines wants to come up with a program that would assist APEC's developing members cope with environmental problems brought about by rapid economic growth.

During the first APEC summit in Blake Island, Washington three years ago, Mr. Ramos broached a debt-for-environment swap as an environmental financing scheme to help address problems of environmental degradation in the grouping's poorer members.

As the nascent economic grouping evolves, APEC has been expanding its scope of interests by incorporating environment-related projects in its agenda to complement its goal of liberalizing trade and investment in the region over the next 25 years.

APEC comprises some of the world's most dynamic economies and makes up more than 40% of global trade. It groups Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, South Korea, Taiwan, Thailand and the United States.

While liberalization continues to propel the region's economic growth, the developing economies, which have been the key source of this progress, are still at the losing end.

Critical Role (subhead)

This, said Mr. Ramos, makes it all the important for governments to play a critical role in combating the unwanted effects of liberalization.

"It is here where governments must lead, not follow nor merely support the private sector. Failures to address these problems squarely risks economic growth and its sustainability," he said.

Mr. Ramos scored the Uruguay Round's liberalization measures for not really opening up the markets of the developed economies to those key exports of the developing countries.

"High tariffs, tariff escalation, and in some cases quotas continue to be applied on agricultural products, tropical and resource-based products, as well as textiles and garments exports," he said.

"The refusal of developed countries to significantly open their markets for these products limits the growth potential of developing countries whose economies are for the most part, now dependent on export earnings for growth," he added.

The Philippines, for one, continues to complain of the strict requirements imposed by tightly regulated markets like those of Japan and South Korea on Philippine agricultural produce, which have always been met with stiff resistance by those countries' local agricultural producers.

Trade Policies (subhead)

"Trade policies which distort international trade and the allocation of resources, particularly those on agriculture must be abandoned and be replaced by more market-based schemes," Mr. Ramos said.

The spread of liberalization, the president said, has also been uneven because it only benefits vested interests or protected groups and sectors.

"Such undesirable residual conditions constitute serious threats to our quest for the preservation of the environment and equitable development," Mr. Ramos said, reminding the ministers that economic hardship continues to be the single biggest cause of environmental degradation.

Meanwhile, tempering the impacts of trade liberalization on the efforts of APEC in pursuing sustainable development is among the major challenges facing the region today.

This was among the consensus agreed on by environment ministers taking part in the APEC ministerial meeting on sustainable development scheduled to end today.

The meeting's recommendations will serve as inputs in the action plan being prepared for the November summit in Subic.

Environment Secretary Victor O. Ramos said APEC has to ensure the impacts won't unduly harm emerging economies within the region.

APEC Officials Forge Accord on Sustainable Development

BK1507070496 Manila MANILA BULLETIN in English 15 Jul 96

[Report by Milet O. Santos — received via Internet]

[FBIS Transcribed Text] Senior officials from 18 countries attending the Asia-Pacific Economic Cooperation (APEC) ministerial meeting on sustainable development at the Intercontinental Hotel in Makati City have forged the Manila Declaration outlining an action program to make the Asia-Pacific region one living ecosystem where harmony prevails between environment and development.

Environment and Natural Resources Secretary Victor O. Ramos, chairman of the senior officials meeting (SOM), said the Manila Declaration constitutes self-implementing measures to which the 18 APEC countries committed themselves in an atmosphere of cooperation and goodwill.

Under the declaration, member countries have committed to advocate harmony in the environment and development; recognize clean technology and technology transfer from developed countries to developing countries in the pursuit of development; recommend to the APEC final meeting in November at Subic dramatic measures to clean the region's oceans and seas; provide reforms in economic policies taking into account the environment and natural resources accounting; and, forge treaties revolving around the marine environment since APEC economies are similarly bounded by oceans and seas.

Ramos identified four critical areas of APEC concern — developing model cities for sustainable development as most countries in the region are faced with similar problems of squatting and urban slums; the need for clean technology and production processes as most areas in the region are experiencing rapid industrialization and urban migration; decisions to make marine ecosystem clean and have a new platform for economic growth; and the need for new innovative strategies to implement government programs on their own.

An action program on sustainable development called for the mobilization of the private and the government sectors in clean technology; technology exchange and

sharing; emphasis on small and medium scale industries assistance; and developing concrete action recommendations for the final APEC meeting in November.

APEC vision agreements on environment protection and an action program that will translate the Asia-Pacific Economic Cooperation (APEC) sustainable development vision into action formed the core of the Ministers Declaration on Sustainable Development.

Ministers from the 18 APEC economies signed the declaration at the end of their two-day ministerial meeting at the Hotel Intercontinental in Makati City yesterday.

The Manila Declaration agreed on the exhortation by President Ramos, in his speech before the ministers, that the protection of the environment is tantamount to the economic development of the region.

Environment protection includes the pursuit of clean technologies and production methods; treaties and commitments to the marine environment; and innovative reform approaches to conserving environmental assets.

The action program paves the way for information exchange on policies to sustainable cities; the mobilization of public-private partnerships to promote cleaner technology; assistance to small and medium enterprises for them to attain cleaner production; and concrete action to preserve the marine environment.

Opportunity

The privilege of hosting APEC '96 is both a challenge and a unique opportunity to show what Filipinos can do, President Ramos said as he cited the benefits to be gained from hosting the international event.

The Filipino people stand to gain from the P [pesos] 387 million that the Philippine Government is spending for hosting the fourth leaders' meeting and the eight ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) in November, he said.

Hosting the APEC meetings is a rare opportunity for the Philippines to project the best of the country and the Filipino people, according to Rodolfo T. Reyes, overall media coordinator of APEC 96.

"Other countries spend billions of dollars in advertising and public relation fees for the kind of publicity mileage that we are getting because of APEC," he said.

The private sector is lending support to APEC with their equipment, transport facilities, supplies, and services, Reyes said.

About 3,000 officials are expected to accompany the 17 visiting leaders and about 3,000 journalists from all

over the world are expected to cover the APEC leaders' meeting on Nov. 25 at Subic. The ministerial meeting will be held at the Philippine International Convention Center in Manila on Nov. 22-23.

About 400 chief executive officers from APEC economies will converge in Manila on Nov. 24 for an unprecedented meeting with the 18 leaders.

The more than 8,000 visitors will fill up almost all the hotels in Manila, Pasay, and Makati and give good business to restaurants, telecommunications, transport companies, shopping centers, and other related businesses, Reyes said.

Good business for these establishments also means good business for related industries such as food manufacturing. It will also benefit the thousands of Filipinos who work with these establishments.

Thai Delegation Urges WTO To 'Match' APEC Trade Schedules

*BK1607081096 Bangkok BANGKOK POST
in English 16 Jul 96 p 19*

[Unattributed report]

[FBIS Transcribed Text] Thailand yesterday urged Asia Pacific Economic Cooperation countries to encourage the other members of the World Trade Organization to match APEC's trade and investment liberalization schedule.

The call came from Deputy Commerce Minister Amnuai Yotsuk, Thai delegation head, on the first day of a two-day regional trade ministers' meeting in Christchurch. Mr Amnuai also proposed that preparations start early next year for a new round of global agricultural trade talks due to begin in 1999.

The Christchurch meeting's main purpose is to discuss APEC's view of the proposed contents of the first ministerial meeting of the WTO in Singapore this December.

The WTO members are expected to debate implementing the commitments resulting from the Uruguay Round of world trade talks, and to discuss the next round of trade liberalization due to start at the turn of the century.

Opening yesterday's meeting, New Zealand Prime Minister Jim Bolger said he hoped the outcome of this week's meeting would be a "coordinated, constructive and far-sighted input by APEC into the WTO ministerial at Singapore".

Mr Bolger said New Zealand gave priority to ensuring that trade liberalization continued. He proposed an

effective work program be drafted to take effect after the Singapore meeting.

He added the WTO agenda should balance the interests of developed and developing country interests.

New Zealand Trade Minister Philip Burdon, who is chairing this week's Christchurch meeting, said there was considerable goodwill for implementing the WTO agreements, but APEC wanted to see further commitment to another round of trade liberalization.

"We do not want to see trade liberalization stopped and it would be very unfortunate if in two days time my chairman's summary was to say that no progress has been made, and it is all too difficult."

The APEC trade ministers are also scheduled to consider their countries' own plans for achieving liberalization by the regional group's deadlines of 2010 for developed country members and 2020 for developing countries.

Lengthy lists describing sectors and methods of liberalization were agreed at the APEC summit in Osaka last year. The group's 18 members are now preparing their individual plans to be compiled for this year's summit in Subic, the Philippines, in November.

For the time being, the 18 APEC countries have agreed that non-members will have equal rights to the group's lower trade and investment barriers.

Since February, the Thai deputy minister's namesake, Deputy Prime Minister Amnuai Wirawan, has been arguing that the European Union in particular should respond to APEC's unilateral lowering of trade and investment barriers with similar action.

The EU's response during the Asia-Europe summit in Bangkok in March was to wait and see what APEC decided to do.

Yesterday, the deputy commerce minister stressed in his opening statement that APEC has adopted the non-discrimination principle known as Most Favored Nation (MFN). Under MFN, every WTO member is required to extend the same most favored treatment to all other members.

"In this case, we might like to consider encouraging non-APEC economies to undertake liberalization along the same lines as APEC," Mr Amnuai said.

Mr Amnuai said the fact that APEC members had agreed not to discriminate against non-APEC members as the group liberalized clearly showed its members were in favor of open regionalism. Therefore, APEC members should inject "credibility" and "a sense of vision" into the WTO.

In some instances APEC would be an excellent example for the WTO to follow, he said.

The idea of taking APEC as a model of global trade liberalization was discussed earlier by some prominent economists at a World Trade Congress in Singapore in April. The Singaporean government itself also wants to push for APEC's liberalization method along with its specific deadlines to be adopted by the world trading system.

Thailand said yesterday it was important to have a "balanced realistic and visionary agenda" for the Singapore ministerial conference. The agenda should be responsive to the problems and changes of the world environment, according to the Thai position.

The Singapore agenda has four broad headings:

- how well the agreements emerging from the Uruguay Round of world trade talks in 1994 are being implemented;

- the round's unfinished business, including ongoing and deadlocked talks on services;

- the "built-in agenda" of new or reopened negotiations committed under the 1994 agreements; and

- new issues such as the environment, labor, corruption, investment, and competition policy.

Yesterday, Thailand and New Zealand urged APEC members to support close monitoring of the Uruguay Round agreements.

Full implementation of Uruguay Round commitments will uphold the multilateral trading system as well as maintain the momentum of global trade under the WTO, Thailand argued.

Mr Bolger said: "Our first task must be to ensure the full, effective and timely implementation of the outcomes agreed in the Uruguay Round.

"Commitments are made to be implemented and we must encourage ourselves, and all members of the trading system to respect that."

Mr Amnuai said APEC members should also understand the importance of work left over from the Uruguay Round, especially services, which have become an essential component of the global economy.

Thailand asked major traders to show responsibility by taking the lead to ensure that deadlocked negotiations in maritime transport services and basic telecommunication will have a successful end.

The deadline for completing basic telecoms talks has been postponed from last April to February next year. In even deeper trouble, the negotiations on maritime

transport have been suspended until 2000 when a new round of talks encompassing all services is scheduled to start.

"We have done great damage to the WTO for not being able to conclude these agreements so we should step up efforts to ensure that this unfinished business does not remain unfinished," Mr Amnuai said.

Report on APEC Ministers' Meeting on WTO

BK1607094396 Bangkok BANGKOK POST
in English 16 Jul 96 p 19

[Report by Somphon Thapanachai from Christchurch, New Zealand]

[FBIS Transcribed Text] Trade ministers from the 18-country Asia Pacific Economic Cooperation (APEC) group agreed yesterday that too little progress has been made on implementing world trade agreements and in negotiating services liberalisation.

On the first day of their two-day meeting, they agreed to issue a joint call for the 1994 agreements of the Uruguay Round of world trade talks to be implemented fully. They also agreed to urge for deadlocked global negotiations in services to be completed.

And they decided that the economically less developed members of APEC should receive assistance from richer fellow-members to implement more technical aspects of the agreements, Thai Deputy Commerce Minister Amnuai Yotsuk said.

Among these would be the technical reports that the 120 World Trade Organisation (WTO) countries are required to submit to the organization in order to notify each other about current and new policies and measures affecting trade.

But the APEC ministers left for today the more difficult questions of the future agenda of the World Trade Organisation and complaints that their own plans for liberalisation are not good enough.

APEC's ministerial chairman this year, Philippine Trade and Industry Secretary Rizalino Navarro, told reporters that some of the plans prepared by the group's 18 members were "uneven in quality". He said he would push for improvements during talks ending here today.

The United States and Australia have both been outspoken in pressing for improved blueprints — or Individual Action Plans — prepared following agreement by APEC leaders in Osaka, Japan, last November, to be submitted to this year's summit in Subic.

Most of the agenda in Christchurch concerns preparations for the WTO ministerial meeting in Singapore

in December. APEC ministers want to find common ground on the implementation of the Uruguay Round agreements (which come under the WTO) on business left unfinished from the round such as services negotiations, on the "built-in agenda" of new talks committed under the agreements, and on new issues such as the links between trade and labour rights or an investment protection agreement.

Ministers are also due to look at the Individual Action Plans that are supposed to form APEC's liberalization programme up to 2020. One of the challenges will be to come up with a package of 18 plans that broadly satisfies all members without the need for formal negotiations, a requirement specified by Asian members in particular, such as Malaysia.

Problems concerning the implementation of the Uruguay Round agreements are coming to light through the notifications of regulations and measures that the members of World Trade Organisation (WTO) submit.

Mr Amnual said the ministers discussed the implementation of the Textiles and Clothing Agreement, part of the Uruguay Round deal, including the complaint that developed countries are still holding back market opening on more important portions of the sector until the last phase of the 10-year liberalization timetable.

One part of the Uruguay Round agreements that was praised yesterday was the overhauled dispute settlement procedure. WTO Director General Renato Ruggiero said in his address to the meeting that this has been the main success of the implementation of the Uruguay Round results. The dispute procedure is being used by both developed and developing members, he said.

The ministers also talked about the unfinished business left over from the Uruguay Round, particularly the deadlocked talks in telecommunications and shipping services.

Mr Amnual said Thailand urged the more developed APEC members to assist completing the negotiation by granting flexibility to developing members.

A source in the meeting said the United States urged other countries to improve their offers to liberalize basic telecommunications while the United States, European Union and Canada submit their own improved offers.

Malaysia's International Trade and Industry secretary general, Datuk Asmat Kamaludin, reminded the developed members not to forget the principle of "progressive liberalisation" embodied in the General Agreement on Trade in Services — the umbrella agreement setting out principles for services liberalization under the WTO.

The Malaysian delegate said this principle allows WTO members to take into account their economic development and national policies before placing offers on the table.

Acting US Trade Representative Charlene Barshefsky said in the United States before leaving to APEC meeting here that the ASEAN offers in basic telecoms were "extremely disappointing". Indonesia and Malaysia made no offers at all while the Philippines and Thailand offered only to refrain from increasing market barriers.

Mr Amnual said the ministers also discussed the work of the WTO Committee on Trade and Environment and agreed broadly that the committee should prepare work programmes to be adopted in order to protect the environment.

Even within APEC, members differ on how far the WTO should go in linking the environment with trade. According to one source, some countries want the ministers directly in charge of environment to be responsible for this issue. Some countries are also calling for some measures to be taken immediately, such as the recognition of eco-labelling that identifies whether a product or its production process is environmentally friendly.

But APEC countries do agree that the environment can be handled to some extent under the WTO.

Yeo Cheow Tong, Singaporean trade and industry minister, earlier told the meeting that environmental issues are related to trade and the WTO is the right forum to discuss the issues.

New Zealand Trade Minister Philip Burdon, who chairs this week's meeting, reportedly concluded that the WTO Committee on Trade and Environment should exist but its status would be considered later. The committee should come up with recommendations balancing the importance of environmental issues and trade protectionist approach, he is quoted as concluding.

The source said developed members argued that agriculture — a concern of Thailand and several other APEC countries such as Australia and New Zealand — should not be the not only priority item in the WTO's built-in agenda.

Other issues like investment, competition policy, intellectual property should also be included, the developed countries argued. The United States stressed that there are at least 70 areas included in the built-in agenda.

The ministers also discuss how APEC's liberalization process should be pursued in the WTO. Rizalino Navarro of the Philippines said APEC would have a very definite influence on the future of the WTO.

Manila gives first priority to the liberalization in APEC and secondly to WTO, he said.

**ASEAN Draft Communiqué Comments on Nuclear,
Other Issues**

OW1307090196 Tokyo KYODO in English
0831 GMT 13 Jul 96

[By Maria Teresa Villanueva-Cerojano]

[FBIS Transcribed Text] Manila, July 13 KYODO - Foreign ministers from the Association of Southeast Asian Nations (ASEAN) will press China to halt further nuclear weapons tests and urge India to support a global nuclear test ban treaty when they gather for their annual meeting next week.

A draft of a joint communiqué to be issued by the ASEAN foreign ministers at the end of their meeting in Jakarta emphasizes the importance of full implementation of the Nuclear Non-Proliferation Treaty (NPT) in promoting international peace and security.

The draft paper, a copy of which was obtained by KYODO news, says the foreign ministers will "call on all nuclear weapon states to refrain from conducting nuclear weapons tests and to conclude the negotiation on" a Comprehensive Test Ban Treaty (CTBT) in 1996.

The ministers from Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam will also stress the importance of multilateralism in the process of disarmament and the convening of a fourth special UN General Assembly session on disarmament before the turn of the century.

The call for a stop to nuclear tests does not mention particular nuclear weapon states but is apparently directed at China, which announced it will conduct one more test before September, the target date for the signing of the CTBT at the United Nations in New York.

An ASEAN source said the regional bloc will urge India to be more flexible in its stance on the draft of the CTBT.

India, along with China, will be formally accepted as new dialogue partners of ASEAN during the forthcoming annual ASEAN ministerial meeting opening Friday for a three-day session.

India will also be accepted, along with Myanmar [Burma], as a participant in an annual meeting of the ASEAN regional forum that follows the ASEAN ministerial session.

New Delhi rejected the final draft of the CTBT after it demanded unsuccessfully that the five declared nuclear powers of Russia, China, the United States, France and Britain commit themselves to a total nuclear disarmament in a fixed timeframe.

Some fear that if India refuses to sign the treaty it will prompt India's adversary Pakistan to also refuse to sign.

The ASEAN foreign ministers will also stress the need for the nuclear powers to accede to the protocol of the southeast Asian nuclear weapon-free zone treaty signed by the heads of southeast Asian states in December 1995, according to the draft.

Such accession will ensure the "maximum effectiveness" of the treaty, which is part of the process to implement ASEAN's goal of establishing a zone of peace, freedom and neutrality in southeast Asia.

Some of the nuclear powers, particularly the U.S., are concerned that freedom of navigation might be restricted by the treaty.

The foreign ministers will also express concern over territorial disputes in the South China Sea, the draft statement says.

China caused jitters among its neighbors last year when it occupied a Philippine-claimed reef in the disputed Spratly Island chain, triggering a diplomatic tiff with Manila.

On May 15, China ratified the U.N. Convention on the Law of the Sea and proclaimed baseline around another group of disputed islands in the South China Sea known as the Paracels as well as the baselines of the sea adjacent to the Chinese mainland.

The Paracels are also claimed by Vietnam, Brunei, China, Malaysia, Taiwan, the Philippines and Vietnam have overlapping claims to the Spratlys.

On the Middle East situation, the foreign ministers will express concern over the Israeli-Palestinian peace process following the election of Israeli Prime Minister Benjamin Netanyahu, says the draft.

The draft communiqué stresses the importance of continuing the peace process to restore Palestinian rights, return the Arab-occupied territories and ensure balanced and equal security in the region consistent with the principles of the Madrid Mideast Peace Conference of 1991.

The ministers are also expected to underline the importance of reforming and restructuring the United Nations, including increasing membership in the U.N. Security Council.

In their communiqué, the ministers will oppose any attempt to include issues unrelated to trade such as corruption, human rights and labor conditions as topics in the inaugural ministerial conference of the World Trade Organization (WTO) set for December in Singapore.

They will also call on the WTO meeting to seek a mandate to start preparatory work on agricultural trade talks, and call on the ASEAN members to work toward concluding negotiations on basic telecommunications and maritime transport services.

ASEAN Issues Agenda for Jakarta Meeting

BK1607031096 (Internet) Association of Southeast Asian Nations WWW in English 15 Jul 96 (Tentative)

[Press release issued by Dato Ajit Singh, secretary-general of ASEAN, in Jakarta on 15 July]

[FBIS Transcribed Text] ASEAN will be holding a series of Ministerial meetings from 20-25 July 1996 in Jakarta, Indonesia. The meetings will consist of the following:

- (a) 29th ASEAN Ministerial Meeting [AMM] from 20-21 July;
- (b) Third ASEAN Regional Forum [ARF] on 23 July;
- (c) Post Ministerial Conferences from 24-25 July.

These meetings will be preceded by the meetings of the ASEAN Senior Officials and the ASEAN Standing Committee from 17-18 July.

Highlights of the 29th AMM

The highlights of the meeting will be:

- (a) Official Opening Ceremony of the 29th AMM by H.E. President Suharto on 20 July;
- (b) Joint Audience with H.E. President Suharto at Istana Merdeka by the ASEAN Foreign Ministers and the Secretary General of ASEAN on 20 July;
- (c) Admission ceremony of Myanmar [Burma] as an Observer in ASEAN on 20 July at the 29th AMM;
- (d) Adoption of the Joint Communiqué at the 29th AMM

On the eve of the 29th AMM, H.E. Mr. Ali Alatas will be hosting an informal dinner for the Ministers and the Secretary General of ASEAN at the ASEAN Secretariat. At the dinner, the Foreign Ministers will have an informal and a free flowing discussion pertaining to the issues on the 29th AMM agenda.

During the 29th AMM, the ASEAN Foreign Ministers will be having Consultative Meetings with Cambodia, Laos and Papua New Guinea.

The 29th AMM will end on the afternoon of Sunday, 21 July with the adoption of the Report and the Joint Communiqué, and will be followed by a press conference given by the Foreign Minister, H.E. Mr. Ali Alatas.

Agenda of the 29th AMM

The Agenda for the 29th AMM will include the following:

- (a) Consideration and approval of the Annual Report of the ASEAN Standing Committee, the Report of the Senior Officials' Meeting, Proposed Annual Budget of the ASEAN Secretariat and the Audit Committee's Report;
- (b) Consideration of the Reports of the meetings of the ASEAN Ministers Responsible for Information, Labour and Science and Technology;
- (c) Approval of the Report of the Secretary General of ASEAN.

The Foreign Ministers will discuss the elevation of functional cooperation to a higher plane and the Record of the Ministerial Meeting of the ASEAN-Mekong Basin Development Cooperation held in Kuala Lumpur from 17-18 June 1996, the EAEC (East Asia Economic Caucus) and the ASEAN-EU Eminent Persons Group Report.

The Ministers will also be looking into the preparations for the Third ARF, the PMCs [Post Ministerial Conference] and the Informal Meeting of the ASEAN Heads of Government to be held in Jakarta, later this year.

Highlights of the Third ARF

The highlights for the Third ARF will include:

- (a) An informal working dinner hosted by H.E. Mr. Ali Alatas on the eve of the Third ARF for the Heads of Delegation to the ARF;
- (b) The participation of India and Myanmar as new members of the ARF;
- (c) A Joint Audience with H.E. President Suharto by the Foreign Ministers of ASEAN Dialogue Partners and Observers in ASEAN on the afternoon of the Third ARF;
- (d) Issuing of the Chairman's statement.

Agenda of the ARF

There is no set agenda for the meeting. The discussions will be informal and free wheeling where participants can raise any issues of concern or interest pertaining to peace and stability of Northeast and Southeast Asia and Oceania.

At the end of the Meeting, the Chairman of the ARF, Foreign Minister H.E. Mr. Ali Alatas will release the ARF Chairman's Statement and hold a press conference.

So far, the ARF had met on two occasions. The first ARF meeting held in Bangkok in 1994 helped to build confidence among the participants in discussing substantive security issues in the spirit of mutual respect, equality and cooperation. Based on the success of this meeting, the second meeting in Brunei in 1995 set the stage for ASEAN to play a central role in developing the ARF into an effective and meaningful process for achieving peace and security in the Asia Pacific region. For the moment, ASEAN and its ARF partners are focusing on confidence building measures which include cooperative activities in search and rescue and peace keeping operations.

The ARF has also recognized the contributions of the non-governmental bodies such as ASEAN-ISIS [Institute for Strategic and International Studies] and CSCAP [expansion not known] to its Track Two process. These institutions have continued to support ASEAN by providing useful ideas and proposals in the realm of political and security cooperation.

Highlights of the PMCs

The highlights of the PMCs are as follows:

- (i) The inclusion of China, India and Russia as new Dialogue Partners of ASEAN;
- (ii) The "seven plus ten" session between ASEAN and its Dialogue Partners;
- (iii) Bi-lateral working lunches between ASEAN Coordinating Countries and their Dialogue Partners;
- (iv) Separate sessions of ASEAN and each of its Dialogue Partners based on "one plus one format", i.e. Coordinating Country and its Dialogue Partner together with officials from other ASEAN Member Countries;
- (v) Joint press conference on 25 July with the presence of all ASEAN Foreign Ministers and the Dialogue Partners.

Agenda of the PMCs

The agenda for the "seven plus ten" PMC session will include Middle East and Bosnia-Herzegovina, disarmament, UN reform, WTO and the ASEAN-Economic Cooperation, including the ASEAN-Mekong Basin Development Cooperation. Other issues such as environment, population and drug trafficking will also be touched upon.

The "one plus one" sessions will exchange views on regional developments and relations between ASEAN and its dialogue partners in the areas of economics, development and functional cooperation.

Signing Ceremony

The following documents will be signed at a signing ceremony on 25 July:

- (i) Protocol Amending the Agreement on ASEAN Energy Cooperation to be signed by the seven ASEAN Foreign Ministers;
- (ii) Signing and Exchange of Letters for the Amendments to the MOU on ASEAN-Canada Cooperative Programme on Marine Sciences-Phase II to be signed by Foreign Minister H.E. Mr. Ali Alatas on behalf of ASEAN and the Canadian Foreign Minister H.E. Mr. Lloyd Axworthy;
- (iii) Signing of and Exchange of Letters for the Amendments to the ASEAN-Canada MOU on Regional Training Programme by Foreign Minister H.E. Mr. Ali Alatas and Foreign Minister H.E. Mr. Lloyd Axworthy;
- (iv) Exchange of Letters for the Accession of Vietnam to the ASEAN-Canada Agreement on Economic Cooperation by Foreign Minister of Vietnam, H.E. Mr. Nguyen Manh Cam and Foreign Minister H.E. Mr. Lloyd Axworthy.

The 29th AMM/PMC are taking place six months after the Fifth ASEAN Summit in Bangkok, Thailand. At the meetings, the Foreign Ministers will be reviewing the progress made in the implementation of the various initiatives endorsed at the Summit.

The 29th AMM/PMCs are being held at a time when ASEAN is undergoing a period of peace and stability with impressive economic progress. ASEAN has been successfully maintaining its economic growth rate of 7.5% since 1994, making the region one of the fastest growing in the world. The World Bank predicts that by the year 2020, ASEAN will be one of the five biggest economic powers in the world after NAFTA, EU, China and Japan. ASEAN's exports and imports are also among the fastest growing in the world. According to WTO data of 1994, total exports reached US\$247.7 billion while total imports were valued at US\$258.4 billion. The rapid increase in ASEAN's total trade has made the region the fourth largest trading entity in the world after the US, EU and Japan.

As far as AFTA [ASEAN Free Trade Agreement] is concerned, within a short span of three years, ASEAN has succeeded in putting in place the necessary mechanisms for its Implementation.

These include the completion of the schedules for tariff reduction, the passing of legal enactment to implement the tariff reductions and the elimination of quantitative restrictions and other non-tariff barriers. With the implementation of the new schedule for bringing down tariffs

to 0-5% by the year 2000 on 1 January 1996, ASEAN Member Countries are now exploring the possibility of eliminating tariffs completely by the year 2003. As a result of this ongoing reductions in tariffs, ASEAN is becoming an increasingly important market for its Member Countries.

In 1995, intra-ASEAN exports of CEPT [Common Effective Preferential Tariff] products grew by 21% from US\$49.1 billion in 1994 to US\$59.3 billion in 1995.

The ratio of intra-ASEAN exports to total exports also increased to 25.4% in 1995 compared to 24.99% in 1994.

ASEAN is also implementing various measures to reduce impediments to trade in the region. Custom surcharges will be eliminated by 1996 and efforts to reduce non-tariff barriers are being intensified. Cooperation in custom has also been boosted with the introduction of the Green Lane for CEPT products which will accelerate the custom clearances of such products. Member Countries are also looking into other trade facilitation measures such as the harmonization of tariff nomenclature and cooperation in customs.

Industrial cooperation in ASEAN entered a new phase with the signing of the Basic Agreement on ASEAN Industrial Cooperation (AICO) by the ASEAN Economic Ministers [AEM] at the AEM Retreat in Singapore on 27 April 1996. The phasing in of AICO scheme in place of the ASEAN Joint Venture and Brand to Brand Complementation schemes will help to promote cross-industrial cooperation and encourage investments in technology-based industries and value added activities which will further upgrade technological competitiveness of ASEAN Countries.

The promotion of foreign direct investments also received a boost with the Fifth Summit's endorsement of an ASEAN Action Plan on Cooperation and Promotion of Foreign Direct Investment and Intra-ASEAN Investment and the proposal to establish an ASEAN Investment Area. Furthermore, the Framework Agreements on Intellectual Property Cooperation and Services signed at the AEM will give added impetus to the promotion of foreign direct investments in ASEAN. Indeed, the latter has resulted in a series of negotiation on selected service sectors. A Coordinating Committee on Services has been established to implement the Agreement. A draft Work Programme for ASEAN Consultative Committee on Standards and Quality for 1995-2003 has also been formulated.

ASEAN is also expected to concentrate on raising functional cooperation to a higher plane with the emphasis

of bringing shared prosperity to all Member Countries. Since its founding, functional cooperation has provided a firm foundation for common action towards strengthening of ASEAN's solidarity. Its elevation to a higher plane will fortify the dynamic interactions between the three facets of ASEAN cooperation; political cooperation brings about peace which makes possible economic progress and prosperity and functional cooperation provides the means for sharing that prosperity.

With the intensification of functional cooperation activities, the ASEAN Secretariat is playing an important role in enhancing the focus of the various programmes, improving the coordination among different sectors and raising the public profile of functional cooperation activities.

The highlights of the developments in functional cooperation and the role of the Secretariat are as follows:

(i) The Secretariat prepared the Medium Term Programme for Science and Technology Development (1996-2000) to further focus regional cooperation on programmes that promote technology transfer and commercialization, networking of centres of excellence and science and technology awareness. The Secretariat also developed the cost-sharing guidelines for projects in science and technology in order for ASEAN to be more self-reliant in funding projects. Besides, it coordinated the preparation of a management information system and database on science and technology indicators for the exchange of information among ASEAN Member Countries in this area.

(ii) On environment, the ASEAN Secretariat helped in the coordination of familiarization workshops on environment and trade nexus and national level studies on pollution prevention principle, internalization of environment protection costs in product prices and environmental performance of foreign investment. With the assistance of UNCTAD [United Nations Conference on Trade and Development], the Secretariat also prepared a report containing a comprehensive database on the use of trade and environment measures in international agreements. Besides, the Secretariat prepared an ASEAN directory of environmental institutions and experts and a report identifying the capacity building needs in the areas of environmental information.

(iii) In the area of culture and information, the Secretariat supported the work of ASEAN-Committee on Culture and Information (COCI) by monitoring the progress of culture and information projects. The Secretariat also conducted a study on the feasibility of establishing a regional information and databank centre at the premises of the Secretariat and submitted its findings and recommendations to the Fourth Conference of ASEAN Minis-

ters Responsible for Information in March 1996 where the Ministers agreed that the desired information needs would be served by further developing and expanding the ASEANWEB.

(iv) A major initiative under social development was the preparation of the agreement on the Establishment of the ASEAN University Network (AUN) and the Charter of the ASEAN University Network. The Charter was subsequently signed by the ASEAN Ministers Responsible for Higher Education and the Agreement by eleven participating ASEAN universities. The Secretariat has also prepared a draft work programme for the AUN.

(v) The Secretariat continued to work closely with the ASEAN Sub-committee on Health and Nutrition and the ASEAN Task Force on AIDS. With the assistance from WHO, the Secretariat completed the preparation of the ASEAN regional Programme on HIV/AIDS Prevention and Control (1995-2000).

(vi) The Secretariat obtained funding from UNDP [United Nations Development Program] and technical assistance from ILO [International Labor Organization] to implement two projects recommended by the ASEAN Labour Ministers. The projects involved the development of a training programme in informal sector development for the ASEAN region and a feasibility study on the establishment of a centre for occupational health and safety in ASEAN to facilitate the sharing of expertise and information.

The Foreign Ministers will also note the initiative and progress of the ASEANWEB which was developed and unveiled by the ASEAN Secretariat at the Fifth Summit. The ASEANWEB provides on-line information about ASEAN Member Countries and covers political, economic and functional cooperation together with the ASEAN calendar of activities and a list of publications of the ASEAN Secretariat. The Web serves as a useful reference on ASEAN and its activities and represents the Secretariat's commitment to the dissemination of information on ASEAN to a wider audience.

Over the last six months, the ASEANWEB has expanded to include a photo gallery comprising 91 historical pictures on ASEAN activities and personalities and the ASEAN Document Series from 1967 to 1994 for easy references of government offices, academic and strategic institutions, media and people interested in ASEAN and its activities. Another new addition to the Web is the page on ASEAN's cooperation with its Dialogue Partners.

Aside this, the Web will also be playing an important role for the Ministerial Meetings. For a start, the ASEAN Secretariat has incorporated the background

materials on the 29th AMM/3rd ARF/PMCs including the programme guide, tentative programme of activities and the logistical arrangements in the Web. During the Ministerial Meetings, the Secretariat will use the Web to provide on-line and first hand information to the public on the progress of the various meetings on a daily basis.

This will include information such as the issues discussed at the various meetings and the decisions taken on them. The ASEANWEB can be accessed through [HTTP://WWW.ASEANSEC.ORG](http://WWW.ASEANSEC.ORG).

Indonesia's Alatas on ASEAN's 'Constructive Engagement' With Burma

BK1507130596 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 15 Jul 96

[FBIS Translated Text] More observers and full dialogue partners will attend the 29th ASEAN ministerial meeting and the post-ministerial conference in Jakarta from 20 to 25 July. Speaking to journalists in Jakarta today, Foreign Minister Ali Alatas said the ASEAN foreign ministers had agreed to admit Burma as an ASEAN observer along with Cambodia, Laos, and Papua New Guinea. Meanwhile, the number of full dialogue partners will increase from seven to 10 with the entry of India, China, and Russia.

Answering questions on the U.S. objection to Burma's status as an ASEAN observer, Alatas said ASEAN did not interfere in Burma's internal affairs but hoped that the Burmese people would be able to settle their own problems. He reiterated that ASEAN would continue to adopt the policy of constructive engagement with Burma and steer clear of efforts to isolate Burma — something that a number of developed countries had called for.

Indonesia's Alatas Confirms Suu Kyi Letter to ASEAN

BK1607053696 Bangkok THE NATION in English 16 Jul 96 pp A1, A3

[Report by Don Pathan and Yindi Loetcharoenchok]

[FBIS Transcribed Text] Jakarta — Indonesian Foreign Minister Ali Alatas said yesterday that the Association of Southeast Asian Nations (ASEAN) will continue its constructive engagement policy through "quiet diplomacy" and work towards achieving national reconciliation between the Burmese junta and the pro-democracy movement led by Aung San Suu Kyi.

"That's what we have been trying to do. (That is) talk quietly at the ministerial level and at lower levels to see if we can be helpful," Alatas told a press conference here. "If not, then of course we will see how things develop."

Alatas was referring to what ASEAN officials said was his bilateral meeting last month in Kuala Lumpur with Burmese Foreign Minister U Ohn Gyaw, during which the Indonesian minister had "diplomatically advised or suggested to the Burmese to seek peaceful national reconciliation through amicable dialogue".

Alatas also confirmed yesterday that Suu Kyi had recently sent a letter to all ASEAN leaders requesting the grouping to use its good offices to promote national reconciliation in Burma through dialogue between the military rulers, her political party, the National League for Democracy (NLD), and other political movements.

"I can indeed confirm that there has been a letter sent by Daw Aung San Suu Kyi to the head of the governments in ASEAN. But at this stage I'm not in the position to comment because we have only just received it," Alatas said.

He, however, warned that Indonesia would need time to study the contents of the letter, which had just arrived and been forwarded to President Suharto.

In her letter dated last month to ASEAN leaders, Suu Kyi described the recent massive crackdown against the NLD, where 262 supporters and party members were arrested to prevent them from attending a party congress. She also stated that political instability in Burma could affect the peace and stability in Southeast Asia.

Suu Kyi's letter was seen to counter a letter sent to ASEAN countries by Burmese Foreign Minister U Ohn Gyaw in which he claimed that the NLD members and supporters were only "temporarily detained for questioning" to avoid the situation deteriorating.

Alatas said ASEAN opposed the Western approach of economic sanctions, isolation or pressure against the ruling State Law and Order Restoration Council (SLORC)

and preferred to pursue peace and stability in Burma through "quiet diplomacy" that has been carried out at various governmental levels under the grouping's constructive engagement policy.

"That means that we, as part of Southeast Asia, will try to show our understanding, to show our support for peaceful reconciliation, to see what we can do quietly, and to help if such help is wanted," Alatas said.

"We do realise that the situation in Myanmar (Burma) is one that needs ... some resolution. Otherwise, why do you constructively engage a country? Why don't you have normal relations?" Alatas said in reiterating ASEAN's policy of constructive engagement towards Burma.

Although Alatas did not respond when asked if political instability in Burma would affect peace and stability in the region, he stated that once Burma was integrated into ASEAN, its domestic affairs would "of course affect ASEAN one way or another".

Burma will be officially welcomed as an ASEAN observer on the morning of July 20 after the opening session of the 29th annual ASEAN Ministers' Meeting (AMM) from July 20 to July 21 here. For the past two years, Burma had participated in AMM as a guest of the host country — Thailand and Brunei, respectively. As an ASEAN observer, Burma is automatically granted membership of the ASEAN Regional Forum (ARF) where the grouping and their dialogue partners discuss political and security issues in the Asian and Pacific region. Alatas said no ARF particularly those from the West, have stated their objections to Burma attending the ARF. He added that Burma's association with ASEAN as an observer is an internal matter of the grouping.

Japan

Japan: 'Sources' Report New MITI Proposal in Chip Talks

OW1607050696 Tokyo KYODO in English
0425 GMT 16 Jul 96

[FBIS Transcribed Text] Christchurch, New Zealand, July 16 KYODO — Japan made a new proposal to the United States in a bid to resolve the bilateral microchip dispute during the vice-ministerial talks held in Christchurch on Tuesday, conference sources said.

In talks with Ira Shapiro, senior counsel and negotiator at the Office of the U.S. Trade Representative, Yoshihiro Sakamoto, vice minister for international affairs at Japan's Ministry of International Trade and Industry proposed setting up a multilateral government forum and a global microchip body, the sources said.

To replace the microchip pact between the two countries that ends July 31, the Japanese Government has been calling for the setting up of a multilateral government forum including Japan, the U.S. and the European Union to discuss chip trade issues.

The Japanese chip industry meanwhile, has been proposing the establishment of a global microchip industry organization.

By having the proposed forum and industry body work together to address chip issues, Japan hopes to alleviate U.S. fears that its share in the Japanese chip market will fall after the expiry of the bilateral trade pact, the conference sources said.

The current pact effectively ensures foreign chip makers a market share of at least 20 percent. The U.S. wants a new bilateral trade pact to replace the pact.

Tsukahara made the proposal after the U.S. explained in detail some of the points in its proposal which Japan is concerned about. The U.S. proposal, presented the previous day, included points which Japanese negotiators fears would lead to controlled trade.

Little progress is expected in the talks however, as Japan is continuing to resist U.S. requests for the Japanese Government to play a role in ensuring foreign market share, the sources said.

Meanwhile, the head of a U.S. chip maker visiting Christchurch as an industry representative told a group of reporters that the U.S. industry will seek an extension of the bilateral trade pact.

He said the industry will also look for the government to be involved in market surveys, noting that the government needs to keep a watch on market shares to avoid disputes in an increasingly competitive market.

Japan: Business Conference Chairman Views Bilateral U.S. Ties

OW1607114796 Tokyo MAINICHI SHIMBUN
in Japanese 15 Jul 96 Morning Edition p 9

[Interview with Yotaro Kobayashi, Japanese cochairman of the Japan-U.S. Business Conference, by MAINICHI SHIMBUN editorial writer Kazuhiro Tamaki; date and place not given; first paragraph MAINICHI introduction, last paragraph MAINICHI conclusion]

[FBIS Translated Text] If I may be allowed a little exaggeration, the "Japan-U.S. Business Conference" has been regarded as the most important "infrastructure" for both Japanese and U.S. private-sector businessmen. This "infrastructure" has been improved for a long period. However, as Japanese-American economic frictions have become aggravated, the "infrastructure" has recently transformed itself into a venue where both sides merely complain to and accuse each other. It seems that this situation has now changed little by little.

[Tamaki] The conference was held in Tokyo for three days — on 8, 9, and 10 July. What was the result?

[Kobayashi] This is the third year that I lead the Japanese delegation at the conference. I think that the two sides could hold forward-looking discussion for the first time. Caterpillar Inc. Chairman Donald Flites, who is the U.S. cochairman of the conference, stated that "although frustrations lingered on the conference a year ago, there was some slight hope this year; and that this is the best discussion in the long history of dialogue between the United States and Japan."

[Tamaki] Do you think that the improvement in the Japan-U.S. trade imbalance served a major impact on the conference?

[Kobayashi] In addition to a drop in Japan's trade surplus with the United States, major specific issues, including the auto dispute, have been solved. It is also important that U.S. company managers have succeeded in increasing profitability through such efforts as restructuring and that they have again confirmed confidence in themselves. They now have room in mind to listen to our criticisms. Moreover, the U.S. side's attention has shifted to a rapid progress in China, India, and other Asian countries.

[Tamaki] However, I heard there is growing concern within the U.S. side over the recent trend of the yen's decline against the dollar.

[Kobayashi] We hardly discussed the level of foreign exchange rates at this conference. This is because, when the Japanese side had made complaints to the U.S. side about the strong yen issue at past meetings, the U.S. side

had continued to maintain the view that "as the foreign exchange rate is decided by markets, this should not be discussed at such a conference." However, I think that the U.S. side is worried that if the current weak yen trend is left untouched, the improved trade imbalance may worsen again. They are also concerned that the Japanese side may be thinking that all issues (in Japan-U.S. economic relations) have been already resolved. As a matter of course, we are not satisfied with the current situation. We intend to continue efforts to open markets and promote structural reform in the future as well. In that sense, the U.S. side's remarks on the foreign exchange rate are probably intended to keep Japan in check in their own manner.

[Tamaki] Do you plan to bring up Asian issues at future working-group meetings?

[Kobayashi] With the end of this Tokyo conference, Mr. Michael Jordan (chairman of Westinghouse Electric Corp.) has become the new U.S. cochairman of the Japan-U.S. Business Conference. The fact is, he has proposed that the Asian business people be invited to the next conference. Taking account of the rapid progress in Asian countries, both Japan and the United States have no choice but to take a future-oriented view.

As noted in the recent Lyon summit, it appears that what has changed the nature of the Japan-U.S. Business Conference were after all the key words "Asia and globalization."

Japan: Okinawa Assembly Protests Heliport Relocation

OW1607072096 Tokyo KYODO in English
0618 GMT 16 Jul 96

[FBIS Transcribed Text] Naha, Japan, July 16 KYODO — The Okinawa prefectural assembly unanimously passed a protest statement and a resolution Tuesday opposing a U.S. military heliport being relocated in the prefecture rather than removed.

The prefectural assembly voted unanimously concerning its opposition to the moving of a heliport from the U.S. Marine (MCAS) Futenma Air Base to another U.S. base in Japan's southernmost prefecture.

"The proposed sites for the shift would cause an increase in accidents, river pollution and destruction of the environment, and the shift would simply strengthen the U.S. military presence in the prefecture," the assembly said in the statement.

The statement will be sent to Prime Minister Ryutaro Hashimoto, Foreign Minister Yukihiko Ikeda and Defense Agency Chief Hideo Usui. It will also be sent to U.S. President Bill Clinton, Defense Secretary William

Perry and U.S. Ambassador to Japan Walter Mondale, assembly members said.

Okinawa Gov. Masahide Ota said he had made no promises concerning the protest statement, which he said had been made on the initiative of prefectural lawmakers.

Meanwhile, mayors and leaders of the areas being discussed to receive the relocated heliport have also stated their opposition to the plan.

The three new sites being considered for the heliport are an ammunition storage facility at Kadena Air Base, Camp Hansen and Camp Schwab, all north of Futenma.

The closure of Futenma Air Base and the return of its land to Okinawan control is the centerpiece of an agreement reached by Tokyo and Washington in April to reduce the U.S. military presence in the prefecture.

Japan: Okinawa Landowner To File Suit Seeking Return of Land

OW1607081896 Naha OKINAWA TIMES in Japanese
16 Jul 96 Morning Edition p 21

[FBIS Translated Text] Mr. Shoichi Chibana (48), owner of a superette in Namihira, Yomitan, will file a lawsuit with the Naha District Court later this month demanding the return of his plot of land located within the Sobe Communication Site [SCS] (the so-called elephant cage) in Yomitan, which has been "illegally occupied" by the government, on the grounds that "the government's occupation of his plot is illegal."

The joint struggle council on the unconstitutionality issue [iken kyotokaigi] (chairman: Masao Arume), which supports Chibana, will hold a session on 17 July to decide on strategies for filing a lawsuit.

Mr. Chibana will call for the return of a 237-square-meter plot at SCS. The plot has been in a state of "illegal occupation" after the expiration of a land lease contract. On 1 April, he applied to the court for a provisional disposition, demanding access to and return of the plot. However, he withdrew his call for the return of the plot, considering that access to his lot is more feasible. After getting permission from the government, he entered his lot twice, on 14 May and 22 June respectively.

On 12 July, the government filed a suit with the Naha branch of the Fukuoka High Court (chief justice: Kenichi Iwatani) seeking a court order to force Governor Ota to fulfill his duty to take legal procedures of "posting public notices and making documents" detailing a government request for the expropriation of a plot of land within SCS for forced use of land for the U.S. Forces. The first oral proceedings will be held on 29

July. In August, the government plans to file the same suit in connection with plots of land in 11 facilities, including Kadena Air Base, possessed by 3,000 landowners.

Since Mr. Chibana intends to lodge a lawsuit calling for the return of his lot prior to the first oral proceedings for the suit filed by the government, it is expected that the government will face difficulties in dealing with the issue.

Japan: ASDF To Participate in Military Drills in Alaska

*OW1507131096 Tokyo TOKYO SHIMBUN
in Japanese 13 Jul 96 Evening Edition p 1*

[FBIS Translated Text] The Defense Agency [DA] plans to send for the first time Air Self-Defense Force [ASDF] transport aircraft and a portable missile unit to participate in a multilateral military exercise, called "Cope Thunder," which is to begin on 15 July in the U.S. State of Alaska. Amidst ongoing consultations over measures to support U.S. forces in conjunction with the "redefinition" of the Japan-U.S. Security Treaty, the ASDF's participation will take on an irregular form, with ASDF troops joining only in some exercises in consideration of the issue of exercising the collective self-defense right. Although the Maritime SDF has deployed troops to joint military exercises in the Pacific rim (Rim-Pac), the door has now been opened to ASDF participation in joint overseas military drills.

Cope Thunder is a program that the U.S. Air Force initiated in 1991 to upgrade pilots' technical abilities. The exercises have been conducted four times a year. In the past, the ASDF has sent trainees, but it will be the first time that two C-130's and a portable SAM (surface-to-air missile) unit consisting of 50 members will be deployed. Among other participants in the joint exercise will be the UK and Canadian Air Forces.

Although the ASDF has conducted joint drills with the U.S. Air Force in Japan, it will be the first time that it will participate in full-scale exercises in the United States.

The drills will take on a combat style, based on a prepared scenario. Participating forces will not be divided according to country, but rather they will be separated into "blue units" consisting of fighters, attack aircraft, and transport aircraft; and "red units" consisting of fighters and base defense forces. The ASDF's C-130's will belong to the blue units and the portable SAM unit will belong to the red units.

What is causing alarm is that the ASDF's participation in joint exercises with the UK and Canada, with which

Japan has not secured alliances, may bring up the issue of exercising the collective self-defense right. According to the DA, SDF troops deployed to the joint drills will, as a matter of fact, conduct exercises independently, in principle. For example, it is said that "safeguards" are to be set, such as having the ASDF SAM unit and the U.S. Army Stinger (surface-to-air missile) unit defend different zones.

According to a senior ASDF official, the ASDF decided to join the exercise in response to strong requests from U.S. forces. A DA source says: "The U.S. Military expects the ASDF to provide support in the area of transportation, presuming an outbreak of an emergency on the Korean peninsula. The ASDF's participation will certainly make the U.S. Military happy."

Meanwhile, ASDF Chief of Staff Koji Muraki explained the significance of the ASDF's participation, saying: "The vast training area in Alaska allows us to conduct exercises that are not possible in Japanese training areas. These are exercises that are necessary so that we can be prepared for contingencies in Japan." In this way, Muraki stressed that the exercises do not presume an emergency on the Korean peninsula.

Japan: U.S. Army Helicopter Lands in School Yard; No One Hurt

*OW1607085696 Tokyo KYODO in English
0818 GMT 16 Jul 96*

[FBIS Transcribed Text] Nagoya, July 16 KYODO — A U.S. Army helicopter made an emergency landing on the grounds of a junior high school in Shimoyama, Aichi Prefecture, shortly before noon Tuesday, but there were no injuries or property damage, prefectural police and the U.S. military in Japan said.

An SH-60B helicopter belonging to Helicopter Anti-Submarine Squadron (light) 51 in the Atsugi U.S. Naval Air Facility landed in a school yard 40 kilometers southeast of Nagoya at 11:30 A.M. following a drop in oil pressure, the Atsugi U.S. base said in a news release.

The helicopter made the emergency landing after the crew noticed the transmission oil pressure gauge fell to near zero during flight, the statement said.

The seahawk chopper with a four-member crew aboard left the Japanese Air Self-Defense Force's Komaki Base north of Nagoya and was on its way to Atsugi Base in Kanagawa Prefecture near Tokyo, Komaki Base officials said.

Shimoyama village officials said the school ground was deserted at the time because students and teachers were having lunch.

Japan: SDP's Ito Comments on Defense Cooperation Issues

OW1607035796 Tokyo NIHON KEIZAI SHIMBUN in Japanese 12 Jul 96 Morning Edition p 2

[Interview with Shigeru Ito, Social Democratic Party vice president and Policy Board chairman, by NIHON KEIZAI SHIMBUN editor Hisayoshi Ina; second in series called "Talks About Security": "Japan-U.S. Defense Cooperation"; place and date not given]

[FBIS Translated Text] [Ina] The Social Democratic Party [SDP] has called for reducing the U.S. forces in Japan. But will the reduction of the U.S. military presence not send a wrong message to other countries?

[Ito] There is a lively discussion on what Japan should do in emergency situations. But I am deeply concerned about this. Currently, two kinds of wind are blowing in Asia. One is a cold wind from the Cold War era. This wind is still blowing on the Korean peninsula. The other is a warm wind that has arisen since the end of the Cold War era. Also, Asia has developed as the world's center of growth. Under such circumstances, economic interdependence is progressing rapidly, and many countries have begun to think that conflicts do not serve their interests. So, the warm wind in the post-Cold War era will become the prevailing wind.

Some discussions are being promoted based on the assumption that the DPRK (North Korea) would act recklessly, chaos would occur in the DPRK, and a great number of refugees might flow into Japan. I wonder if this is a favorable policy. It is undesirable to make a fuss over such an assumption. You cannot call this responsible diplomacy.

[Ina] What you have said sounds like the argument that, "if cold prevention measures are studied, a cold will unexpectedly occur" when a cold is predicted.

[Ito] The Self-Defense Forces' [SDF] duty is to defend the nation and prepare for emergencies. Thus, they must study effective measures to fulfill that duty. Meanwhile, politicians must study measures to prevent emergency situations. In this regard, some Liberal Democratic Party [LDP] and New Frontier Party members have mistaken their duty. It might be better if they resign as politicians and join the SDF.

[Ina] Do you mean preparing for emergencies is the SDF's duty?

[Ito] Symbolically speaking, it is. I do not flatly deny the need to prepare for emergencies. The SDP has also asserted that the issue of reviewing Japan-U.S. defense cooperation guidelines should be discussed within the framework of the Constitution, in a way that does not

harm relations with neighboring countries, and be based on existing laws. There is also an agreement among the ruling coalition policymakers that they should discuss first, the issue of rescuing Japanese nationals overseas during emergencies; second, the influx of a great number of refugees into Japan; third, guarding the nation's coast; and lastly, various issues concerning cooperation between Japan and the United States.

[Ina] Taku Yamasaki, LDP Policy Research Council chairman, appears to take the approach that the "gray area" of the right of collective self-defense should be minimized. Will the SDP be able to minimize this area?

[Ito] On this matter, we take a clearly different stance (from the LDP's). My opinion is that the ruling coalition policymakers should take a stance that differs from that of those concerned with defense issues.

I think Japan should make proposals and take charge of addressing major human issues, such as poverty, North-South disparities, and environmental problems, for the solution of which not enough efforts have been made, so that Japan will be respected in the international community. Although the Cold War has ended, one cannot have a rosy view of the current situation. However, past history says that a situation like this will not last long. Japan should make efforts, mainly at the United Nations, to develop various kinds of knowledge and systems to tide over the difficulties of this age.

As for Japan's bid to win permanent membership on the UN Security Council, I think it is necessary for Japan to become a permanent member with a resolve to carry out new objectives, not with a sense of merely joining the P5 (the five great powers). Mulling such a thing is the very duty that politicians should perform. It is all the more necessary for the ruling coalition's policymakers to consider such a thing. That is what makes them politicians and makes them different from those in charge of defense issues.

Japan: SDP's Ito Comments on Review of Defense Guidelines

OW1607044396 Tokyo NIHON KEIZAI SHIMBUN in Japanese 13 Jul 96 Morning Edition p 2

[Interview with Shigeru Ito, Social Democratic Party vice president and Policy Board chairman, by NIHON KEIZAI SHIMBUN editor Hisayoshi Ina; third in series called "Talks About Security": "Review of Defense Guidance; Coordination Between Coalition Parties Possible"; place and date not given]

[FBIS Translated Text] [Ina] There is a possibility that the United States may become very dissatisfied with

Japan if we map out, without clarifying the gray area of the issue of the right to collective self-defense, a plan to review the guideline for defense cooperation between Japan and the United States. Can you comment on this?

[Ito] I do not think so. When I met him the other day, Ambassador Mondale told me that Japan should spend enough time on reviewing the guideline. What he meant was that the two countries should share a common understanding and improve the ties of mutual reliance even if we have to spend a year or two on consultation.

It is said that the Japan-U.S. relationship is of pivotal importance. I asked some Americans if they "say this as a compliment." That is not the case at all. We are also of the view that we should think about how we can build Japan-U.S. relations that can contribute to future generations. We think we must create a venue of multilateral security talks in Asia as soon as possible. Otherwise we have to contact the ROK each time we try to give humanitarian aid to the DPRK, for example.

[Ina] Do you not think that the ambassador said that we should spend ample time on reviewing the guideline because the United States thinks a review, if it is made after the Social Democratic Party [SDP] steps down from power, will be more satisfactory?

[Ito] The United States is giving the Okinawa issue more serious consideration than is Japan. Regarding the incident in which U.S. soldiers raped a schoolgirl, the United States said from the beginning that it was a "shame of the country." However, Prime Minister Tomiichi Murayama only said that it was "regretful." He just used the word written in a statement prepared by the Prime Minister's Official Residence or by bureaucrats of the Ministry of Foreign Affairs. I yelled at the prime minister, asking: "Why can't you talk like a human being?" The United States may think that the coalition is better than the old stereotyped structure of permanent opposition and ruling parties.

[Ina] It seems that some members of the Democratic Party are of the pessimistic view that it is difficult to coordinate with the Liberal Democratic Party [LDP] over the issue of reviewing the guideline.

[Ito] I said to Mr. Mondale that "I was an active leader of anti-U.S. and anti-security treaty movement and walked at the head of demonstrations during the 1960's." We both laughed. Some members of our party get clamorous when it comes to the security issue. But, I am telling them to "believe in my way of doing things because I was the one who waved the red flag during the old days."

[Ina] Do you think it is possible to coordinate among the ruling parties?

[Ito] I think it depends on how well we can exhibit the good structural points of the coalition government. Parties in a coalition improve each other while working together. This is a side effect of coalition. Through the process of improving each other, the coalition members are required to make further progress.

As far as we are concerned, there are quite dangerous people in the LDP and the New Frontier Party. But there is no need to be anxious about disputes or conflict and we must not worry about them. Initially, one side of the coalition thought that "a bill for compulsory purchase of military land was necessary" for settlement of the Okinawan issue and the other side was "absolutely against it." After debating for a month, however, we realized that the important thing is not to have a quarrel with the people of the prefecture or to have discord among the ruling parties. We are moving toward the direction of asking ourselves how we can find answers to the demands of the people of Okinawa first.

Tokyo Ready To Take Indonesian Auto Development Plan to WTO

OW1607113096 Tokyo KYODO in English
1021 GMT 16 Jul 96

[FBIS Transcribed Text] Christchurch, New Zealand, July 16 (KYODO) — Japan told Indonesia on Tuesday it is ready to file a complaint with the World Trade Organization (WTO) about Indonesia's plan to develop a national car which Japan sees as discriminatory, Japanese officials said.

The officials said Japan made clear its stance at a meeting between Shumpei Tsukahara, minister of international trade and industry, and Indonesia's International Trade and Industry Minister Tunku Ariwibowo.

Both Tsukahara and Tunku are in Christchurch to attend a trade ministers meeting of the Asia-Pacific Economic Cooperation forum.

Under Indonesia's automotive development plan unveiled in late February, Timor Putra Nasional, controlled by President Suharto's youngest son Hutomo "Tommy" Mandala Putra, will pioneer the country's national car project.

News reports said Timor Putra Nasional plans to assemble a 1.5-liter "Timor" car and import finished cars from KIA Motors Corp. Tax free in a tie-up with the South Korean automaker.

Tsukahara told Tunku that Japan plans to file the complaint with the WTO immediately after tax-free imports from KIA are confirmed.

He said the possibility has increased that the issue has to be brought to the WTO.

Trukahara also said he was shocked upon learning about the arrangements between Timor Putra Nasional and KIA because Indonesia pledged not to proceed with the project while bilateral negotiations are under way, according to the officials.

Tunky declined comment on whether Indonesia will revise the project but said he has been in contact with Japanese enterprises operating in Indonesia on ways to solve the issue, the officials said.

Timor Putra Nasional plans to start importing cars from KIA Motors in July for sale in the country, starting in October.

Japanese-made cars account for more than 90 percent of the Indonesian automobile market at present.

Tokyo's CTBT Ratification Proposal Expected To Face Rough Going

*OW1507120396 Tokyo ASAHI SHIMBUN
in Japanese 14 Jul 96 Morning Edition p 3*

[FBIS Translated Text] Regarding the comprehensive test ban treaty (CTBT) talks, where the Geneva Conference on Disarmament (GCD) aims to adopt a draft treaty by the end of July, the Japanese Government came up with a proposal designed to actually remove India, Israel, and Pakistan — three countries who are suspected of possessing nuclear weapons — from the conditions for CTBT ratification and sounded out the major countries on the proposal. It is based on the idea that "priority should be given to early enactment of the treaty without adhering to the three countries' participation to attain realistic and steady nuclear disarmament" (according to a senior Ministry of Foreign Affairs [MOFA] official). Since Britain and Russia oppose the idea of excluding the three countries, it is uncertain if the Japanese proposal will bear fruit.

Jaap Ramaker, chairman of the special committee for banning nuclear tests (who is also Dutch ambassador for disarmament), made the final proposal at the CTBT talks in late June. The proposal calls for ratification of the treaty by 44 countries, including the five nuclear powers and the three countries suspected of possessing nuclear arms. The proposal then says that a meeting should be held to promote treaty ratification even if it does not take effect three years after its approval. The CTBT talks have ended for the time being and the GCD aims to vote on the draft treaty's approval during its third session.

Since India is clearly saying that it will not sign the treaty, and for other reasons, the Japanese Government

concluded that "the Ramaker proposal does not tell us when the treaty will be signed" (according to a MOFA source). The Japanese Government is saying that "ratification by more than a certain number of countries, including the eight countries, is needed at the initial state. Nevertheless, as a second stage measure, the Japanese Government has firmed up a proposal designed to "give priority to enactment of the treaty by excluding the three countries from the preconditions should the treaty not take effect after a certain period of time. Accordingly, Japan recently submitted the proposal to the major countries concerned, including the five nuclear powers (the United States, Britain, France, Russia, and China).

Regarding the "certain period of time," the government is saying that "we will deal with it flexibly while observing progress at the CTBT talks" (according to a MOFA source). Moreover, on the number of countries needed to ratify the treaty, Japan continues to negotiate with other countries while setting the goal at "significantly more than the 44 countries stated in the Ramaker proposal" (according to the same source)

For the purpose of "applying the breaks to nuclear development by the countries suspected of possessing nuclear weapons," however, Britain and Russia strongly insist on incorporating into the treaty conditions for obtaining ratification from the three countries. The negotiations are having hard sailing.

Japan: International Meeting To Discuss Ethics in Business

*OW1407021696 Tokyo KYODO in English
0208 GMT 14 Jul 96*

[FBIS Transcribed Text] Tokyo, July 14 KYODO — More than 100 people from about a dozen countries will participate in a gathering July 25 to discuss ethical ways of doing business, the meeting's organizers said Sunday.

The international gathering will take place at a research center specializing in morals and ethics, in Kashiwa, Chiba prefecture, near Tokyo.

Its theme is "Business Ethics in the Global Era" and participants will discuss corporate responsibility and morals in relation to the economy, the organizers said.

Overseas participants will include enterprise managers and economists from countries such as the United States, Russia, Britain, and Indonesia.

The six subtopics up for discussion include "logic and international business," and "religion, cultural traditions, and international business."

A spokesman for the meeting's secretariat said the gathering will aim to create a common set of ethical standards for business behavior, given public criticism of a number of scandals involving business enterprises.

Japan: DPRK's Kim Chong-u Speaks on Najin-Sonbong Zone at Seminar

SK1507070396 Seoul KBS-1 Radio Network
in Korean 0400 GMT 15 Jul 96

[Report by Tokyo correspondent Yi Il-hwa]

[FBIS Translated Text] Kim Chong-u, chairman of the DPRK Committee for the Promotion of External Economic Cooperation, who is visiting Japan, said that the declaration of the Najin-Sonbong Free Trade Zone is of great significance in developing the North Korean economy as well as in guaranteeing peace and security on the Korean peninsula and in the Asian region.

Chairman Kim made this statement today at an investment seminar for the Japanese businessmen regarding the Najin-Sonbong Free Trade Zone.

Touching on the brisk moves to make the Najin-Sonbong region a center for development of the world economy in the 21st century, Chairman Kim Chong-u stated that North Korea is making efforts to form favorable circumstances for foreign investment.

To this end, Chairman Kim said, North Korea will not interfere with foreign investors' legitimate economic activities, adding that 100-percent foreign-invested companies, joint ventures and collaborations in the region will be allowed.

Japan: Aid for Jordan, Palestine To Bolster Peace Process

OW1607021196 Tokyo KYODO in English
0100 GMT 16 Jul 96

[FBIS Transcribed Text] Tokyo, July 16 KYODO — The government has mapped out long-term plans for economic assistance to Jordan and the Palestinian self-rule government as part of Japan's efforts to bolster the Middle East peace process, a business daily reported Tuesday.

The plans call for an annual grant of some 3 billion yen to be provided to Jordan, with emphasis on funding for the development of tourism and human resources, the Nihon Keizai Shimbun said.

As for Palestinian aid, the government is considering a grant of about 1 billion yen a year to help finance medical treatment and water resource development, and will launch a feasibility study on the development of industrial parks, the paper said.

The aid plan for Jordan is based on the findings of a mission sent to the country last March. Government policy-makers have agreed to give priority to the improvement of daily living conditions, environmental protection and industrial development, the daily said.

Palestine is not yet qualified for official Japanese yen credits but the government plans to offer grant aid on a project-by-project basis, it quoted an unidentified senior Foreign Ministry official as saying.

The government is putting finishing touches on a plan to offer a grant of some 1 billion yen for a hospital construction project in the Jericho area, and will send a fact-finding mission later this year, it said.

Japan: Agenda Released for Ikeda Trip to 3 Asian Nations

OW1607020696 Tokyo KYODO in English
0058 GMT 16 Jul 96

[FBIS Transcribed Text] Tokyo, July 16 KYODO — Foreign minister Yukihiko Ikeda will begin a nine-day visit Sunday to the three Asian countries of Indonesia, Singapore and Vietnam, government officials said Tuesday.

In Jakarta, he will first attend a meeting on Asia-Pacific security July 23 and then an annual gathering July 24-25 of foreign ministers from the Association of Southeast Asian Nations (ASEAN) and its major trading partners, the officials said.

The third ASEAN Regional Forum session is set to bring together senior foreign and defense officials from ASEAN's seven member states — Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam — as well as from the European Union (EU) and 13 other ASEAN trading partners.

The subsequent ministerial meeting will be attended by the foreign ministers of the seven ASEAN members and nine other nations plus an EU representative.

On the sidelines of these meetings, Ikeda will pay a courtesy call on Indonesian President Suharto and confer with his counterparts from many countries, including the United States, South Korea, China and Russia, the officials said.

After moving to Singapore on July 25, Ikeda will meet Foreign Minister S. Jayakumar to discuss bilateral issues among others.

He will also pay courtesy calls on Prime Minister Goh Chok Tong and Senior Minister Lee Kuan Yew, who served as prime minister for 31 years until 1990.

Ikeda will proceed to Hanoi on July 27, becoming the first Japanese foreign minister to visit Vietnam in five years. During his two-day stay there, he is scheduled to hold talks with Vietnamese Foreign Minister Nguyen Manh Cam.

He will also meet the Vietnamese Communist Party's top three leaders — General Secretary Do Muoi, President Le Duc Anh and Prime Minister Vo Van Kiet.

Ikeda will return to Japan on July 29.

Japan: Deregulation Report Identifies Economic Reform Priorities

OW1607035296 Tokyo KYODO in English
0139 GMT 16 Jul 96

[FBIS Transcribed Text] Tokyo, July 16 KYODO — An annual government report on deregulation released Tuesday cites reform of Japan's economic structure as the top priority in achieving decontrol and improving economic efficiency.

The report identifies high-cost economic structures, including higher domestic prices than overseas prices, as among the main causes of the hollowing out of Japanese industry and delays in tapping new areas of business.

It goes on to say that an easing of regulations is the major way to promote overhaul of the economic structure.

Mindful of Chief Cabinet Secretary Seiroku Kajiyama's recent call for a 30 percent cut in government staff numbers, the report takes note of the consideration the government is currently giving to reducing the number of bureaucrats under another long-term plan.

But it says that despite suggestions that staff in administrative bodies could be reduced, the concept "requires thorough scrutiny" since personnel engaged in the issuing of licenses and permits, for example, are also performing other duties.

To back its case for reform, it cites examples in 13 categories where the easing of regulations by the government over the past year has been effective.

Among these, it cites portable phones and car phones which previously could only be rented and not sold.

Whereas there were only 2.13 million users at the end of March 1994, the number of users rose rapidly once the market had opened up to sales of such phones, numbering 10.2 million at the end of March 1996, the report says.

It also says that after the government lengthened the period of validity of passports from five to 10 years for 20-year-olds, some 70 percent of passports issued

were for the 10-year period, indicating the measure met a pent-up public desire to lighten the task of passport application.

The report was authorized by the cabinet Tuesday morning after it was presented by Management and Coordination Agency head Seizuke Nakanishi.

Japan: Finance Minister Kubo on Restraining Budget Ceiling

OW1607001996 Tokyo NHK General Television
Network in Japanese 0000 GMT 14 Jul 96

[Discussion with Finance Minister Wataru Kubo by J Ushio, chairman, Japan Association of Corporate Executives; Kazuo Yoshida, professor at Kyoto University and Yoshiaki Ono, professor at Tokyo Institute of Technology and Osaka University; from the "Toron" program: "Questions to Finance Minister Kubo on Budget Compilation and Fiscal Reconstruction"; moderated by NHK commentator Takashi Yamamoto — recorded]

[FBIS Summary] Yamamoto announces that the program will focus on discussing how budgets should be compiled efficiently as part of the government's effort to review the conventional budget allocation system considering the current financial difficulties. First and foremost, how the government will cope with the austere financial condition, Kubo discusses the government's policy reviewing the budget ceiling and notes the need to review the budget allocation system with fiscal 1997 as the first year of the economic reconstruction. Kubo stresses the need to review budget expenditures for items that have been exempted from restrictions so that revenue sources indispensable to the financial reconstruction will be secure.

Other participants state their views on the government plan to review budget expenditures. Business leader Ushio expresses strong hope for implementation of the plan, and Ono discusses the possible negative impact on the economy of budget ceiling restrictions.

The participants discuss at length whether it is the right time to review financial policies to renew deficit-ridden state coffers.

Asked about possible budget cuts for such areas as defense and whether Official Development Assistance (ODA) for the next fiscal year will be exempted from restriction, Kubo says: "Well, I have asked each ministry and agency to study whether it is possible to reduce budgets without making exemptions and to cut expenditures by reviewing the budget system." Asked if working to review the budget ceiling is really possible in the run-up to the general election, Kubo notes: "If we fail to carry out it, the road to economic reconstruction will be

rougher and rougher. For its part, the Finance Ministry is seriously resolved to carry out the plan, and the ministry has no choice but to hold down as much as possible the budget ceiling proposed by each ministry if the budget is aimed at securing its own interests."

On the issue of compiling a supplementary budget, Kubo says "It is wrong to take for granted the compilation of a supplementary budget," adding "we will have to wait and see whether it will be necessary to compile a supplementary budget" for this fiscal year. The participants then discuss at length the propriety of compiling the supplementary budget.

The program ends at 0100 GMT.

Japan: Fiscal 1997 Budget To Stress Economic Reform, Okinawa

OW1607054396 Tokyo KYODO in English
0457 GMT 16 Jul 96

[FBIS Transcribed Text] Tokyo, July 16 KYODO — Prime Minister Ryutaro Hashimoto's cabinet decided Tuesday that the government, despite the strained national finance, will allow the fiscal 1997 budget to stress science, information and other outlays that will promote Japan's economic structural reform, a government spokesman said.

The cabinet ministers also agreed to put stress on the southernmost prefecture of Okinawa, which is suffering from heavy U.S. military presence, in the budget for fiscal 1997 beginning next April.

They agreed on the lines during their fourth unofficial meeting aimed at setting ceilings by the end of July on budget requests by ministries and agencies, Chief Cabinet Secretary Seiroku Kajiyama told a press conference.

The session endorsed Finance Minister Wataru Kubo's recommendations on budget ceiling compilation that both ordinary and investment expenses must be restrained yet more rigidly and that outlays to help economic structural reform should be given consideration.

Kubo called on ministries and agencies to review personnel and other obligatory spending so that expenses for structural reform can be squeezed out, he said.

Leaders from the government and the three ruling coalition parties shortly convened a meeting to discuss Kubo's budget ceiling principles.

Kajiyama, Kubo and Economic Planning Agency Chief Shusei Tanaaka will iron out a ceiling draft, hopefully by next Tuesday, through discussions with the three ruling parties — the Liberal Democratic Party, the Social Democratic Party and New Party Sakigake.

Ministers agreed to allow some "flexibility" in outlays to be earmarked under fiscal 1997 budget to relocate U.S. bases in Okinawa and promote the region economically, Kajiyama said.

Okinawa outlays will be discussed up until the government's final budget compilation in December, he said.

Based on the ceilings to be set by the end of July, ministries and agencies will submit their budget requests at the end of August, but spending for Okinawa will not be fixed by then.

Kubo said in a separate press conference, "The Okinawa issue is important for the Hashimoto administration so we will deal with it with considerable measures."

The finance minister, however, ruled out setting aside special outlay for Okinawa.

In the third meeting last Friday, Kubo called for reviewing the state's "sanctuary" outlays totaling 20 trillion yen for personnel, defense, official development assistance, social security expenses and other areas, to be immune from spending cuts, to put the state finances in order.

During the second meeting last Tuesday, they shared the view that the government should drastically promote deregulation as part of efforts to reduce state deficits.

At the first session July 5, the cabinet agreed that Japan's rigid state budget allocations must be thoroughly reviewed because of severe budgetary constraints.

Japan's outstanding balance of government bonds is projected to reach 241 trillion yen at the end of next March, equal to nearly 50 percent of the nation's gross domestic product.

Japan: JCP Head Fuwa Predicts Advent of JCP, LDP Clash Era

OW1507143396 Tokyo KYODO in English
1331 GMT 15 Jul 96

[FBIS Transcribed Text] Tokyo, July 15 KYODO — The head of the opposition Japanese Communist Party (JCP) said Monday that a major confrontation between his party and the conservative Liberal Democratic Party (LDP), currently the main component in the tripartite ruling coalition, is not a remote possibility.

Citing an LDP dietman's prediction that the era of the two-party clash is sure to happen, Tetsuzo Fuwa said, "the prediction will prove to be correct given our experience in a series of the recent thorny issues."

Fuwa made the statement during a commemorative event in Tokyo marking the 74th anniversary of the party's founding.

He mentioned in particular matters surrounding the "jusen" housing loan scandal, a scheduled consumption tax hike and U.S. military bases in Okinawa Prefecture.

Regarding the planned creation of a new party spearheaded by Yukio Hatoyama, New Party Sakigake Chief Secretary, Fuwa said such a party would not be novel, adding, "they (political parties) are all the same in this day and age of (coalition) leadership centering around the LDP. It's like merely changing the name plates outside a home without changing the people living inside."

Touching on the recent mayoral election in Komae in suburban Tokyo, in which a JCP candidate comfortably beat the main rival supported by the LDP and the Komei group affiliated a lay Buddhist organization, fuwa said it is one tangible result of the recent political trend.

"It's a victory for the JCP and nonpolitical groups," fuwa added.

Japan: Series Says Hashimoto Trying To Enhance Ties With LDP

OW1407114396 Tokyo ASAHI SHIMBUN
in Japanese 10 Jul 96 Morning Edition p 2

[Unattributed article, second of three-part series: "Sandglass for Diet Dissolution — Six-Month Old Hashimoto Administration": "Prime Minister Groping for Footing in All Directions"]

[FBIS Translated Text] Right after former Prime Minister Yasuhiro Nakasone left for France, Prime Minister Ryutaro Hashimoto phoned French President Jacques Chirac on 2 July. The president burst into laughter when he [Hashimoto] said: "Please tell Mr. Nakasone that I did a good job at the Lyons Summit (G-7 meeting)."

Consideration to Each Generation

Prior to the summit, Hashimoto asked for opinions from former prime ministers who are members of the Liberal Democratic Party (LDP), such as Nakasone, Noboru Takeshita, and Kiichi Miyazawa. Hashimoto took pains to please these veterans by saying: "The meetings were really educational."

Chief Cabinet Secretary Seiroku Kajiyama, who is also the chairman of "the group to consider Japan's future direction" that mainly consists of LDP veterans, visited the New Frontier Party's (NFP) Diet office on 19 June to meet General Council Chairman Kozo Watanabe. In Okinawa, the prefectural assembly was preparing to endorse the prefectural referendum to ask Okinawans' views on the U.S. base problems.

Kajiyama: "Is there not something we can do?"

Watanabe: "If you want to consult with us, why do you not come in the front door, but not to visit a place like this."

Kajiyama asked for NFP cooperation to vote against the bill. However, it was too late and the bill was approved.

Meanwhile, the prime minister was groping for ways to establish ties with not only party veterans but also senior and younger generations.

Also on 19 July, some 10 LDP members, including Toshikatsu Matsuoka, from "the dietmen's group to bear responsibility for the next generation," visited the Prime Minister's Official Residence. They asked the prime minister not to go along with Nakasone's proposal to form "a conservative-conservative alliance." "I understand what you are saying." Citing the single-seat electoral district system, the prime minister explained how difficult it is to ally with the NFP. After the meeting, younger members took turns to sit next to the prime minister to have a picture taken for the election campaign.

Five days before that, the prime minister for the first time dined with Japanese Trade Union Confederation [Rengo] leaders. He said: "I want to hold free and vigorous exchanges for cooperation."

Secretary General Koichi Kato, who leads the "Group New Generation" comprised of younger and senior members, arranged this meeting. Kato aims to widen support for the LDP by uniting with labor unions while maintaining the coalition government of the LDP, the Social Democratic Party (SDP), and New Party Sakigake. Hashimoto is willing to join such a move.

Riding Both Directions

The LDP is afflicted by generational gaps among its members. The intraparty situation has been further complicated in the past six months because of the question of whether to form a "conservative-conservative alliance" or to maintain "the LDP-SDP-Sakigake." However, the prime minister, whose base is rather weak in the LDP, managed to ride these waves.

Of 316 LDP members of both upper and lower houses, 63 belong to Kajiyama's group, 72 in Kato's "New Generation," and some have joined both groups. Most other members are observing the situation. When it comes to the lower house, in particular, a senior dietmember says: "We are breaking our necks to survive a general election to be held under the new election system." Eying the next general election, the LDP is surrounded by strange silence.

This is why the prime minister received less intraparty criticism for lack of leadership in the prolonged confusion at the "Jusen Diet."

Final Card for Election

After the ordinary Diet sessions, however, the political circles have begun moving toward the dissolution of the lower house to hold a general election.

"For us, Ryutaro Hashimoto is a 'piece of art.'" Acting Secretary General Hiromu Nonaka described the prime minister as the "final card for the election" at an 8 July meeting with LDP supporters at party headquarters. Expectations for Hashimoto are gradually increasing in the LDP, which turned its back on then President Yohei Kono to elect Hashimoto when the party lost the upper house election last fall.

Beginning with the 13 July trip to his home prefecture, Okayama, the prime minister will visit seven prefectures before early August. This is the first extensive election campaign tour participated in by the party president since Hashimoto took office as prime minister.

"We cannot see what you want to do with the party." This is how the prime minister has been criticized. Worried about such comments, last spring, Kajiyama took the time to suggest to the leadership that "LDP dietmembers be given a chance to discuss the prime minister once a day." The fact is, how "artistic" the prime minister is is a test he has not taken yet.

Japan: Series Views Hashimoto Challenge Over Reform

OW1407120496 Tokyo ASAHI SHIMBUN
in Japanese 11 Jul 96 Morning Edition p 2

[Unattributed article, final part of three-part series: "Sandglass for Diet Resolution: Six-Month Old Hashimoto Administration": "Administrative Reform as an Invaluable Point of Contention"]

[FBIS Translated Text] At 1200 GMT on 12 April, there were only a few bureaucrats left at the prime minister's office in the Prime Minister's Official Residence [PMOR], aside from Prime Minister Ryutaro Hashimoto and Deputy Chief Cabinet Secretary Teijiro Furukawa. This was immediately after Hashimoto drank a toast with the chief cabinet secretary, the foreign minister, and other officials following his joint news conference with U.S. Ambassador to Japan Walter Mondale announcing the return of Marine Corps Air Station Futenma in Okinawa.

Furukawa: I feel that I have just seen real politics [seiji] at work.

Hashimoto: No, no, do not flatter [seiji] me.

Furukawa: Oh no. That was real politics.

Hashimoto, who engaged in this word play, looked really happy.

Hashimoto is fond of demonstrating "political leadership" on the diplomatic stage. Undoubtedly, the return of Futenma, which bypassed the bureaucrats, was negotiated in complete secrecy, and astounded the general public, was a masterpiece.

Demonstrating "Leadership"

In early July, after returning from the Lyons Summit (meeting of leaders of the advanced countries), Hashimoto lamented to his close aides: "The news reports were not favorable. We should have thought of a more dramatic way to make the announcement."

The "world welfare initiative" proposed by Hashimoto at the summit was meant to boost Hashimoto's image as the "man of welfare," and it was an eye catcher prepared secretly by a handful of bureaucrats. However, media reaction was lukewarm. This stratagem did not pay off.

Hashimoto is keen on political leadership. Yet, he has always professed that he is "not bound by the paradigm of politics versus bureaucracy." He is a typical "zoku-giin" [Diet member lobbying for the interests of a specific sector], who rose to fame as a "sharo-zoku" [Dietman lobbying on social and labor issues] specializing in welfare, and "one of the politicians who is most well versed in using bureaucrats" (according to a former Health and Welfare Ministry official)

The Futenma case was rather an exception. He is usually good at demonstrating "political leadership" by adding only something extra to what the bureaucracy has prepared. He can be considered an "honor student" in the Liberal Democratic Party [LDP] under the 1955 political structure.

Modifying His Own Position

Many have been curious about what sort of relationship between the political authorities and the bureaucracy Hashimoto would build as prime minister since the day he took office, because administrative reform has been presented as one of the prime minister's fortes.

In May, the ruling coalition parties started to discuss a system of unified recruitment of civil servants to replace the present practice of recruitment by ministries and agencies. The prime minister, who had clearly expressed his support for this idea at a party meeting, soon began to apply the brakes, saying: "Spur-of-the-moment ideas are no good." This was, perhaps, because he later realized that the bureaucrats would resent losing power over personnel matters. A PMOR official said:

"The prime minister modified his own position even before we briefed him."

He handled the clamor for breaking up the Ministry of Finance (MOF), which came as a result of the jusen liquidation issue, in the same way. In early June, Kiyoshi Mizuno, head of the LDP Administrative Reform Promotion Headquarters, argued for taking away some MOF functions, such as "having inspection and supervision functions performed outside the bureaucracy," with the prime minister. However, Hashimoto expressed his reservations, saying: "Do you think you will still be able to attract enough talented people?" He echoed the MOF bureaucrats' line of reasoning.

The MOF is counting on the prime minister, who abhors "emotional reforms" or "reform for reform's sake," claiming "he really understands us" (according to a senior MOF official)

The prime minister compiled a "Hashimoto Administrative Reform Vision" in mid-June. This was meant to demonstrate his zeal for administrative reform in preparation for the forthcoming election. Yet, the "Vision" did not include any concrete proposals on MOF organizational reform. For this reason, the document has not been well received. A senior LDP official says: "Administrative reform has not been presented in a tangible form to the people. We cannot hope to fight with this in the election."

Hitting the Sore Spots

At a meeting of the three chairmen of the ruling parties responsible for post-election coordination on 8 July, Kisaburo Tokai, head of New Party Sakigake Policy Affairs Committee, stated: "Our party stands the coalition government's continuation on this issue." He emphasized strong determination to go into MOF reform. Sakigake is critical that "the political authorities and the bureaucracy get too friendly if [reform efforts] center on the LDP" (as stated by Secretary General Yukio Hatoyama). It intends to make administrative reform a point of contention in the next general election.

On the other hand, former Prime Minister Morihiro Hosokawa's election strategy is very straightforward: "the point of contention is domestic politics." The issues he takes up in his study meetings with LDP's Junichiro Koizumi and others, such as the privatization of the Posts and Telecommunications Ministry's three business operations, are all sore spots in the "bureaucratic political structure."

Hashimoto, who is considered an "administrative reform specialist," is about to be challenged precisely on this issue. Whatever happened to the "change and creation" that the prime minister advocated in his policy speech

six months ago? The prime minister has very little time left.

Japan: Purchases of U.S. Auto Parts Top \$20 Billion

OW1507121896 Tokyo KYODO in English
1127 GMT 15 Jul 96

[FBIS Transcribed Text] Tokyo, July 15 KYODO — Procurement of U.S.-Made auto parts by 11 major Japanese automakers topped \$20 billion for the first time in fiscal 1995 which ended March, an industry association reported Monday.

The Japan Automobile Manufacturers Association said the purchases totaled 21,031.28 million dollars, up 5.9 percent over the year before.

The association said local procurement by Japanese auto plants in the United States and imports from U.S. suppliers both increased.

Local procurement accounted for \$17,655.13 million, up 6.2 percent, while imports gained 4.4 percent to \$3,376.15 million, the association said.

Procurements by Japan's top automaker Toyota Motor Corp. totaled \$6.47 billion, up from \$5.69 billion in the preceding year, the association said.

It said purchases by Honda Motor Co. grew to \$5.32 billion from \$4.83 billion, while those by Nissan Motor Co. rose to \$4.29 billion from \$4.1 billion.

Procurement by Mitsubishi Motors Corp. rose to \$1.96 billion from \$1.78 billion, it said.

Purchases by Mazda Motor Corp., affiliated with Ford Motor Co. of the United States, however, dropped to \$1.28 billion from the previous year's \$1.88 billion due to sluggish vehicle sales on the domestic market, it said.

Japan: Okuma Boosting Machine Tool Production in U.S.

OW1607063096 Tokyo KYODO in English
0603 GMT 16 Jul 96

[FBIS Transcribed Text] Tokyo, July 16 KYODO — Machine tool maker Okuma Corp. will raise its production capacity in the United States from the current 100 to 130 lathes and machine centers a month by acquiring a new plant in North Carolina, a company official said Tuesday.

The company will begin overhauling the new plant to begin manufacturing in October and to serve as a distribution center as well, the official said.

The company intends to accelerate the transfer of its production overseas following the weakening of the yen, to expand the long-term sales of its equipment in the U.S., he said.

It acquired a waste incineration facility located next to its U.S. subsidiary, Okuma America Corp., for 5.3 million dollars, and is now converting the facility into a 10,400 square meter plant on a lot measuring 84,000 square meters, he said.

The total investment amounted to around 1 billion yen, and the new plant will focus on a monthly production of 40 machining centers, the official said.

The subsidiary's conventional plant, which used to produce 20 machining centers and 80 number-controlling lathes a month, will thus concentrate on lathe production to make 90 units a month, he said.

Okuma America Corp. estimates its annual sales will increase to 40 billion yen from the current 30 billion yen due to increased capacity, on sales of both locally produced and imported machine tools, he said.

Japan: Hitachi To Cut 16-Megabit DRAM Chip Production

OW1607040096 Tokyo KYODO in English
0202 GMT 16 Jul 96

[FBIS Transcribed Text] Tokyo, July 16 KYODO — Hitachi Ltd. is planning to reduce its production of 16-megabit dynamic random access memory (DRAM) chips by 10 percent to 900 million chips a month in line with the weaker market demand, the NIHON KEIZAI SHIMBUN said Tuesday.

Operations at the company's factory in Takasaki, Gunma Prefecture, with a production capacity of one million chips a month have been halted, the business daily said.

The factory started operating in December last year at about the same time that chip demand began to wane, leading prices lower, the paper said. The factory is hoped to resume operating at the beginning of next year, it said.

Hitachi also intends to freeze its plan of spending nearly 20 billion yen in raising the Takasaki factory's capacity to up to three million chips a month, the paper said.

In addition, the company will delay its plan to boost production capacity of its German plant to the start of next year, according to the paper.

Hitachi officials could not be contacted to confirm the newspaper report because of a company holiday Tuesday.

Meanwhile, NEC Corp. has cut production of its 1-micron 16-megabit chips by 10 percent in order to put priority on making 0.35-micron 16-megabit chips, a company official said.

He said the move reflects the company's focus on advanced technology and is not in response to the weaker chip market.

Nonetheless, the official said NEC will be cutting monthly production of 16-megabit chips in August by 20 percent by halting operations for five days during the month.

North Korea

DPRK: U.S.-Japan Contingency Plan Called Doctrine for Aggression

SK1607081496 Pyongyang KCNA in English
0803 GMT 16 Jul 96

[FBIS Transcribed Text] Pyongyang, July 16 (KCNA) — The U.S. and Japanese reactionaries are raising a hue and cry over a possible "event of contingency around Japan", a new move of their military tieup based on their wild ambition to establish domination over the Asia-Pacific region, says NODONG SINMUN in a signed article today.

Their allegation is to justify U.S.-Japan military domination over the Asian countries and regions and legalise their joint military action, the paper says, and continues:

The "event of contingency around Japan" in the "U.S.-Japan Joint Declaration on Security" which was adopted in April is for the military interference of the U.S. and Japan in all disputes in the Asia-Pacific Region; it is, in essence, a doctrine for their aggression on Asia.

For the purpose of extending their influence to the Asia-Pacific region where there is no influence of the Soviet Union the U.S. and Japanese reactionaries are crying over the "event of contingency around Japan" for their joint military action.

There is no justification for their allegation that what they call "developments" in the Asian countries may be harmful to the "security" of the U.S. and Japan.

Their assertion that it is their "joint responsibility" to cope with the "event of contingency around Japan" is unfounded because the peoples of the Asian countries have no willingness to "invade" the U.S. and Japan or "threaten" the "security" of the U.S. and Japan. The sovereignty and security of the Asian countries, not the "security" of the U.S. and Japan, are threatened in actuality.

The U.S. and Japanese efforts to "cope with the event of contingency around Japan" are, above all, concentrated on the Korean peninsula. In this sense their allegation can be said to be a doctrine for another Korean war.

The strategy of the U.S. and Japanese reactionaries is to occupy the Korean peninsula, which is important from the geo-political point of view and from the military and strategic point of view and use the region as a springboard for their aggression on Asia. For this they are trying to carry into practice their scenario of another Korean war at any cost.

Dark clouds of a new cold war are hanging over Asia because of aggression and war preparations stepped up by the U.S. and Japanese reactionaries on the plea of coping with the "event of contingency around Japan". The Asian peoples, therefore, should heighten their vigilance against the manoeuvrings of the U.S. and Japanese reactionaries for aggression on Asia.

DPRK: Kim Yong-sam's Call for Building Labor Confidence Denounced

SK1007085096 *Pyongyang KCNA in English*
0829 GMT 10 Jul 96

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — The traitor Kim Yong-sam of South Korea told a "meeting of Chongwadae [presidential offices] senior secretaries" on Monday [8 July] that it was necessary for the settlement of labour-management disputes to build "confidence" among workers, employers and the "government" and create an atmosphere of "understanding" on a wide scale, according to a radio report from Seoul.

His brazen-faced remarks urging workers to be obedient to employers and the "government" have only aroused a storm of indignation among the workers calling for their vital rights and democracy.

DPRK: South Korean Reportedly Defects to North

SK1107232396 *Pyongyang KCNA in English*
1055 GMT 11 Jul 96

[FBIS Transcribed Text] Pyongyang, July 11 (KCNA) — A South Korean, Kim Yang-ki, 58, has defected to the North.

After graduating from Konkuk University, he had engaged in political, public and business circles from 1976 and, before coming over to the North, served as the manager of the "Hosan Industry" and head of the "National Sports Service Team".

He told reporters that he has longed for the North that values justice and truth and introduces good administration.

"When I was abroad, I could come to the embrace of the Great Leader General Kim Chong-il," he added.

DPRK: ROK Defector Visits Kim Il-song's Statue

SK1207043296 *Pyongyang KCNA in English*
0306 GMT 12 Jul 96

[FBIS Transcribed Text] Pyongyang, July 12 (KCNA) — A South Korean Kim Yang-ki, who defected to the northern half of Korea, visited the great leader President Kim Il-song's statue on Mansu Hill.

He laid a bouquet before the statue and made a bow in humble reverence.

DPRK: Paper Decries ROK 'New Security-Oriented Rule'

SK1307085096 *Pyongyang KCNA in English*
0816 GMT 13 Jul 96

["Fascist Campaign Under 'New Security-Oriented Rule'" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 13 (KCNA) — The Supreme Public Prosecutor's Office in South Korea held a "working meeting" a few days ago to "liquidate the leftist forces." At the meeting, a "special checkup organ" was instituted and detailed measures were discussed to intensify fascist repression.

On that same day, the education minister at a meeting of almost all university presidents and rectors in South Korea called for "sternly dealing with the leftist and violent student movement including violent demonstration."

MINJU CHOSON today brands this repressive campaign of the Kim Yong-sam group for "new security-oriented rule" as a last-ditch effort to suppress the patriotic and democratic pro-reunification forces by branding them as "leftist" and related to the North and to save the "civilian" fascist dictatorship from a crisis.

The news analyst says:

The call for independence, democracy and reunification stems from the deplorable situation of South Korea and the people's own experiences.

Nonetheless, the Kim Yong-sam group are cracking down on the students and other people, branding them as "leftist" and "benefiting the enemy." This crime can never be condoned.

The fascist rule of tyrants will precipitate their own destruction.

**DPRK: Irish Group Demands Repatriation of
'Long-Term Prisoners'**

*SK1307070896 Pyongyang KCNA in English
0700 GMT 13 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 13 (KCNA) — The Ireland-Korea Friendship Association sent a letter to the South Korean puppet embassy in Dublin in demand of the repatriation of old men Kim In-so, Ham Se-hwan and Kim Yong-tae, unconverted long-term prisoners in South Korea.

The letter urged the South Korean authorities to ensure freedom of the old men who were subjected to inhuman life at POW camps, prisons, correctional institutions and other places for over 40 years after they were captured during the Korean war (June 25, 1950- July 27, 1953) and to send them back immediately to the North where their families and relatives wait for them.

**DPRK: CPRF Statement Blames ROK for Dialogue
Rupture**

*SK1607032896 Pyongyang Korean Central
Broadcasting Network in Korean
2100 GMT 15 Jul 96*

[FBIS Translated Text] The Committee for the Peaceful Reunification of the Fatherland (CPRF) issued the following statement in relation to the South Korean authorities' total rejection of the idea of North-South dialogue.

The statement of the CPRF:

For our country, the dialogue between the North and South is a matter of great importance concerning the fundamental interests of the nation, and going ahead with dialogue is a pressing task for both the North and South.

Dialogue is the only road to peacefully resolve the issue of national reunification without resorting to force of arms. The urgent and significant issue of North-South dialogue, which has been an issue for almost 20 years, has come in recent years to a situation of complete rupture. In the showdown without dialogue, the North-South relations have reached the worst stage and the prospect for dialogue is getting bleaker with each passing day.

These days, discussions on dialogue are frequently on the lips of everyone surrounding us. Whenever the issue of North-South relations comes up, the South Korean authorities reiterate that North-South dialogue should first be held. They even asked others to take up the issue of North-South dialogue at the G-7 summit in Lyon.

However, we cannot help but doubt the truthfulness of the South Korean authorities' call for dialogue. North-South dialogue is, above all, for the peace and unity of the nation and for the peaceful reunification of the fatherland. If the two sides intend to continue to be hostile to each other, stand face to face, and live in a divisional state, there is no need to even begin discussion over the issue of dialogue.

In South Korea, however, such a basic idea of dialogue has been denied and trampled upon. Today, the South Korean authorities have again taken out of its worn pocket of anti-communist tactics, the southward invasion rumor which it has tirelessly used over and over again. Under this pretext, they are bluntly manifesting war provocation maneuvers and are ceaselessly staging war exercises to attack the northern half of the Republic in an unprecedented manner. According to official data, the frequency of large-scale war exercises rose from the eight occurrences prior to the current person in authority of South Korea taking office, to 16 times in 1993, 32 times in 1994, and 37 times in 1995.

South Korea is the only place in the world where large-scale war exercises continue to take place all throughout the year. Ceaseless war exercise commotions which are held in South Korea's central depths and in the vicinity of the Military Demarcation Line in which the two sides' armed forces stand in sharp opposition, create an atmosphere of terror for the South Korean people, provoke our People's Army, and constantly drive the entire land of Korea into an extremely tense situation.

In recent years, military spending has soared in South Korea and massive up-to-date weapons of destruction, including new-model missiles, and combat equipment have been brought in from foreign countries for deployment in actual combat.

South Korea has become one of the biggest arms markets for the United States. The South Korean authorities, who claim to be a civilian regime, are clearly growing restless with a military fever that is more dangerous than the preceding military dictatorial regimes. This contradicts their posted civilian signboard and, furthermore, is not compatible with their habitual calls for dialogue.

As fire and water cannot be put on one dish, war and dialogue cannot coexist. Calling for dialogue while threatening its counterpart with dangerous fire games and driving the situation to an extreme, is false [kiman].

If they want dialogue they should not seek a war, and if they want armed confrontation they should not even use the word of dialogue.

A major obstacle blocking North-South dialogue today is also the South Korean authorities' humiliating diplo-

matic attitude of relying on outside forces. North-South dialogue should become an independent dialogue between both sides.

A secure and faithful dialogue [tambo ikko sinui innun tashwa] cannot be carried out with a party with no independence. Proceeding from this, a long time ago the North and South agreed to take independence as a common basis and as the basic principle of dialogue and reunification, and promised to implement it before the entire nation.

However, for their part, the South Korean authorities have ignored this agreement.

The so-called international cooperation that the South Korean authorities are talking about today is intended to oppose fellow countrymen by relying on outside forces and will only result in escalating North-South confrontation, making North-South dialogue more difficult, and disturbing peace on the Korean Peninsula.

We cannot overlook the South Korean authorities, who are trying to hamper the nation's interests and dignity by clinging to others.

What we cannot but pay particular attention to is the fact that today's acute North-South relations have been caused by the responsible person in authority of South Korea [namjosonui chaegim innun tanggukcha].

When all of the Korean people were at a state funeral and were overwhelmed by great sorrow, the person in authority in South Korea not only issued an emergency alert order and aimed rifles at us, but also suppressed the South Korean people's mourning with bayonets. From such an insolent act of the person in authority in South Korea, we could clearly witness his immoral character and his immoral act, which cannot be witnessed even between nations engaged in hostilities.

Even now, the attitude of the person in authority in South Korea toward us has not changed. These days, the person in authority in South Korea is clamoring that our system should be reformed. He has gone so far as to openly say that the North should not be regarded simply as fellow compatriots. This reflects precisely the position of the person in authority of South Korea refusing to hold dialogue with us.

If this is the attitude of the responsible person in authority of South Korea toward fellow countrymen, who on earth is the party to the dialogue that he is talking about? This cannot be regarded as the attitude of a man who wants dialogue with us.

The miscalculation of the other side of dialogue will show only his ignorance. These imprudent words and deeds of the person in authority in South Korea who

is feeling impatient as the end of his time in power is drawing near will reveal rather his dark intent in clamoring about dialogue.

The dialogue about which the South Korean authorities are clamoring is nothing but a mere signboard. The person in authority in South Korea has been isolated at home and abroad due to his faulty policies and lack of ability and who is, thus, in an extremely fitful state. For him to now clamor about dialogue is an action intended to help him find his final way out in diverting people's attention elsewhere, in accelerating war preparations behind the signboard of dialogue, and in adventurously playing with fire.

The North-South dialogue that the South Korean authorities are talking about is a grumbling [angtal] and [word indistinct] toward their boss. Under the pretext of North-South dialogue, the person in authority in South Korea has tenaciously tried to block the countries concerned from holding dialogue and contacts with us.

Advancing along the road against dialogue under the signboard of dialogue is a foolish act which runs counter to the cause of national reunification, the desire of the entire nation.

Our position toward North-South dialogue is consistent. We treasure dialogue. We want to achieve national unity and the independent and peaceful reunification of the country through North-South dialogue.

We leave the door to dialogue open to everyone who desires the country's reunification and national prosperity — authorities, civilians, the rich, the poor, religious people, and unreligious people — no matter what their past. The person in authority in South Korea is no exception.

In the past when the person in authority in South Korea worked for an opposition party, he repeatedly expressed his willingness to visit Pyongyang, and we also invited him several times. Even after he colluded with military fascist forces and assumed power with their support, we made sincere efforts to open a road to reunification with South Korea.

The 10-Point Program for the Great Unity of the Entire Nation for the Reunification of the Fatherland, announced by the Great Leader [suryong] Comrade Kim Il-sung in April 1993, was a clear expression of our good faith toward the South Korean authority who had newly assumed power. At a joint meeting of political parties and public organizations held early this year, we put forward the constructive proposal that all fellow countrymen in the North, the South, and overseas unite themselves to make this year a year of peace and great national unity. We then expressed our willingness to

hold dialogue with whoever truly desires peace and peaceful reunification of the country and assumes an independent position, without questioning his or her past. This stemmed from the same purpose.

Nevertheless, the person in authority in South Korea has frequently made extremely provocative remarks against us, driving North-South relations to a dangerous brink like the eve of a war. This is a betrayal of our good faith. It is clear what the acute confrontation between the North and South of our country is attributed to, and who is responsible for the suspension of North-South dialogue.

Multifarious North-South dialogue, which had been held even under the military dictatorial regimes, has been completely suspended under the Kim Yong-sam regime, which claims to be a civilian government. North-South relations have returned to a phase of confrontation without dialogue that prevailed 20 years ago. This is indeed lamentable.

As a matter of fact, Kim Yong-sam is the only South Korean ruler who has not been able to sit down face-to-face with us, and who has not engaged in dialogue. As a result, he has been abandoned by the people. By driving North-South relations into the worst situation to protect his own power and safety, and by blocking the way to the fatherland's reunification, he has committed a serious criminal act. This criminal act committed before the nation cannot be compared even with those of former presidents, who are now on trial for their illegal accumulation of wealth. History and the nation will calculate the crime.

The South Korean authorities should not deride the nation with the issue of dialogue. Even though the person in authority in South Korea has hung out a signboard of dialogue, no one will believe it. The way for North and South Korea to break through the acute situation created in the country and to venture new prospects for the fatherland's reunification lies in the South Korean authorities truly respecting the basic idea of North-South dialogue and abandoning their wrong position, which cannot even coexist with the basic idea of dialogue.

It is our nation's domestic affair that North and South Korea hold dialogue and achieve reunification. No other country should disturb North-South dialogue or the resolution of the issue of our country's reunification, which concerns the interests of our nation, aligning itself with the South Korean authorities' wrong requests and desperate efforts.

[Date and place] 15 July 1996, Pyongyang.

DPRK: Regiment Combat Exercise in Seoul 8 Jul Reported

SK1307032996 Pyongyang KCNA in English
0313 GMT 13 Jul 96

["Military Manoeuvres in Seoul" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 13 (KCNA) — Kim Yong-sam's military group began a regiment combat exercise in Seoul on July 8, Seoul-based radio no. 1 said.

The war maniacs are staging the manoeuvres involving units under the puppet army Metropolitan Defence Command allegedly to annihilate an imaginary enemy.

Earlier, on June 20, puppet army units staged field tactical exercises, firing blank shots in the Seoul area.

The traitorous Kim Yong-sam clique ceaselessly stage military manoeuvres under various names, trying to find a way out in aggravating tensions.

DPRK: ROK Plan To Simplify Army Command Structure Denounced

SK1607035496 Pyongyang KCNA in English
0348 GMT 16 Jul 96

["War Preparations of S. Korean Puppets Denounced" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 16 (KCNA) — The Secretariat of the Committee for the Peaceful Reunification of the Fatherland issued Information No. 720 on July 15 denouncing the decision of the South Korean puppets to "simplify" the present commanding system of the puppet army allegedly to "cope with" the distinguished manoeuvrability of the Korean People's Army.

Pointing out that this decision proves they are on the eve of provocation of another war against the North, the information denounced it as a frontal challenge to the aspiration of the entire fellow countrymen for reunification.

It said that the war preparations have been pushed ahead with in South Korea at a very dangerous stage.

It further said:

The South Korean puppets decided to reinforce infantry divisions of the puppet army with armoured vehicles, tanks, attack helicopters in line with a new method of ground warfare suited for the topographical conditions, increase the firing-power and mobility of offensive units and reorganise formations into light-armed ones needed for actions of attack. Unpardonable is the decision of the South Korean warmaniacs to reorganise puppet army

units and the commanding system in such a way as to increase the capabilities of offensive action as a whole at a time when the situation of Korean Peninsula is on the eve of war.

The Kim Yong-sam group are now trying to find a way out of their crisis in unleashing a war against the North. But, it is nothing but a last-ditch effort of those doomed to ruin.

Their design to unleash a war against the North is as good as jumping from a frying pan into the fire, stressed the information.

DPRK: ROK Order To Put Army in 'Full Combat Readiness' Demounced

SK1607040496 *Pyongyang KCNA in English*
0358 GMT 16 Jul 96

[*"Thief Crying for Thief"* — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 16 (KCNA) — The Kim Yong-sam group of South Korea at a recent meeting of "major commanding officers" of the puppet ground forces issued an order to put the puppet army "in full combat readiness", again raising a hue and cry over the "military threat" from the North.

NODONG SINMUN today, commenting on this, says that the danger of war on the Korean peninsula is from the Kim Yong-sam group that are running amuck to unleash a fratricidal war with the help of tens of thousands of foreign aggression troops.

The analyst further says:

The fiction of the "southward invasion" brought forward by the Kim Yong-sam group brings into bolder relief their true colors as warmaniacs who are hell bent on anti-DPRK confrontation and war preparations.

By creating an impression that the "southward invasion" by the North is imminent, the puppets seek to divert elsewhere the resentment of the people against them, bridge over the crisis of their regime and invent a pretext to provoke a war they have already prepared against the southern half of Korea.

The puppets are trying to find a way out in more vicious confrontation and war preparations against the northern half of Korea. Their act is a foolish one.

The bellicose Kim Yong-sam group like a cancer should immediately be overthrown to remove the danger of a nuclear war hanging over the heads of the nation and achieve national reunification.

DPRK: KCNA Delegation Returns From China 7 Jul

SK1107063996 *Pyongyang Korean Central Broadcasting Network in Korean* 1300 GMT 7 Jul 96

[FBIS Translated Text] The delegation of the Korean Central News Agency (KCNA) headed by Song Pong-sun, deputy director general of KCNA, returned home by train from PRC on 7 July. Pak Hyon-kyu, KCNA deputy director general, and (Song Ma-chae), counselor of the PRC Embassy in DPRK, welcomed the delegation at Pyongyang Station.

DPRK: North Hamgyong Marks DPRK-PRC Treaty Anniversary

SK1107032396 *Pyongyang KCNA in English*
0245 GMT 11 Jul 96

[FBIS Transcribed Text] Pyongyang, July 11 (KCNA) — The North Hamgyong provincial administrative and economic committee on Wednesday gave a party on the occasion of the 35th anniversary of the Korea-China treaty of friendship, cooperation and mutual assistance.

Chinese consul general in Chongjin Zhang Min and officials of the consulate general were invited to the party.

Present there were Yun Sun-pyong, secretary of the Workers' Party of Korea North Hamgyong provincial committee, Hyon Tong-hyok, vice-chairman of the provincial administrative and economic committee, and other officials concerned.

Speeches were exchanged at the friendly party.

DPRK: PRC Consulate in Chongjin Marks Treaty With Film Showing

SK1207043596 *Pyongyang KCNA in English*
0310 GMT 12 Jul 96

[FBIS Transcribed Text] Pyongyang, July 12 (KCNA) — A film show and a reception were given at the Chinese Consulate-General in Chongjin on July 11 to commemorate the 35th anniversary of the signing of the Korea-China Treaty of Friendship, Cooperation and Mutual Assistance.

Present on invitation were Yun Sun-pyong, secretary of the North Hamgyong provincial committee of the Workers' Party of Korea; Hyon Tong-hyok, vice-chairman of the North Hamgyong provincial administrative and economic committee; and officials concerned.

Those present appreciated a Chinese documentary film.

Speeches were exchanged at the friendly reception.

**DPRK: Japan Media Urged To End Propaganda
Dividing Chongnyon**

*SK1407083396 Pyongyang KCNA in English
0644 GMT 14 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 14 (KCNA) — The spokesman for the Central Committee of the Korean Journalist Union issued a statement on July 13, denouncing some mass media of Japan for making false propaganda these days to slander the DPRK and disunite the General Association of Korean Residents in Japan (Chongnyon).

The statement says:

Enraged by the provocative smear campaign of Japanese media, the DPRK journalists and men of the press bitterly condemn their despicable act as a flagrant violation of the dignity of the independent DPRK and Chongnyon, a legitimate organisation of its overseas citizens, and as a partial act devoid of conscience.

The purpose of their campaign is to impair the dignity and high international prestige of the DPRK, separate Chongnyon from its true motherland, the DPRK, and undermine the overseas Koreans' organisation.

It is disgraceful for the reactionary media of Japan to play into the hands of the South Korean puppet Agency for National Security Planning and act a mouthpiece of the anti-DPRK, anti-Chongnyon smear campaign, exchanging conscience and impartiality of the press for some money.

All the Korean journalists and men of the press strongly demand that some media of Japan immediately stop conducting the smear campaign without self-respect and conscience.

We will watch their future acts.

**DPRK: Korean Books Presented to Cambodian
State Library**

*SK1107232296 Pyongyang KCNA in English
0811 GMT 11 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 11 (KCNA) — Korean books were recently presented to the state library in Cambodia with due ceremony.

Immortal famous works of the great leaders President Kim Il-song and Comrade Kim Chong-il and Korean books were conveyed to the curator of the library by the Korean ambassador.

The curator said that those valuable books will be a contribution to consolidating and developing the friendly relations between Cambodia and Korea.

"We wish the Korean people great sustained success in their efforts to build a more prosperous socialism under the wise guidance of the great leader, His Excellency Marshal Kim Chong-il," he added.

**DPRK-Cuba Agreement on Travel by Citizens
Signed**

*SK1407084096 Pyongyang KCNA in English
0632 GMT 14 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 14 (KCNA) — An agreement on the travels of citizens was signed in Havana on July 9 by the governments of the Democratic People's Republic of Korea and the Republic of Cuba.

The agreement was signed by the Korean Ambassador to Cuba and Izabel Allende Caran, vice minister of foreign affairs of Cuba, upon the authorisation of the governments of the two countries.

**DPRK: Cuban Communist Party Delegation
Arrives**

*SK1307110696 Pyongyang KCNA in English
0906 GMT 13 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 13 (KCNA) — A delegation of the Communist Party of Cuba headed by Jose Ramon Balaguer, Politburo member of the CPC Central Committee [C.C.], arrived here today.

The delegation was met at the airport by Hwang Chang-yop, secretary of the C.C., the Workers' Party of Korea, Yim Sun-pil, vice-director of a Department of the WPK Central Committee, and Jose Ramon Rodriguez Varona, Cuban ambassador to the DPRK.

**DPRK: Hwang Chang-yop Speaks at Banquet for
Cuban Delegates**

*SK1407100996 Pyongyang KCNA in English
0700 GMT 14 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 14 (KCNA) — The Workers' Party of Korea Central Committee on Saturday gave a banquet at the Mansudae Assembly Hall here for the delegation of the Communist Party of Cuba [CPC], which is on a visit to the DPRK.

Invited to the banquet were the members of the CPC delegation led by Jose Ramon Balaguer, Politburo member of the CPC Central Committee, and Jose Ramon Rodriguez Varona, Cuban ambassador to the DPRK.

Secretary Hwang Chang-yop and Vice-Director of a Department Yim Sun-pil of the WPK Central Committee and officials concerned were present on the occasion.

Secretary Hwang Chang-yop in his speech noted that the parties and peoples of the two countries have formed firm ties of friendship and solidarity and supported and closely cooperated with each other for the common aim and ideal of anti-imperialism and socialism.

The glorious history of the Cuban revolution is inseparable from the correct leadership of the Communist Party of Cuba, he said. "Today the Communist Party of Cuba is intensifying ideological work to educate the whole party and all the people in socialist ideology and vigorously working to defend and advance socialism in conformity with the specific conditions of Cuba. In the course of this, it has registered tremendous achievements."

"The international situation is still complex, but will develop in favor of our two parties and two peoples, who build socialism. The Workers' Party and people of Korea will do all they can to continuously consolidate the bonds of traditional friendship and unity with the Cuban party and people," he stated.

In his speech, Jose Ramon Balaguer said the delegation's visit to Korea will contribute to tightening the bonds of friendship and solidarity between the two peoples, which began with the establishment of relations between the two countries in August 1960 and were cemented by the Korea visit of the supreme commander of Cuba in 1986.

He noted that Cuba stood by the Korean people in most difficult periods and consistently supported the measures taken by the DPRK for peaceful reunification of the country and against pressure from imperialism.

"We will further strengthen the relations between our two countries," he said, expressing the firm belief that the intimacy between Comrade Kim Il-song and Comrade Fidel Castro will be kept in bloom thanks to Comrade Kim Chong-il, the great leader of the Korean people.

DPRK: Talks Between WPK, Cuban Party Delegation Noted

*SK1507040996 Pyongyang KCNA in English
0333 GMT 15 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 15 (KCNA) — Talks were held between delegations of the Workers' Party of Korea and the Communist Party of Cuba [CPC] here on July 14.

Present on the Korean side were secretary of the WPK Central Committee Hwang Chang-yop, vice-director of a department of the WPK Central Committee Yim Sunpil and other officials concerned and on the Cuban side were the delegation of the Communist Party of Cuba led

by Jose Ramon Balaguer, Politburo member of the CPC Central Committee, and Jose Ramon Rodriguez Varona, Cuban ambassador to the DPRK.

The two sides informed each other of activities and situation of their parties and discussed the matter of further strengthening and developing the friendly and cooperative relations between the parties and peoples of the two countries.

The talks took place in a comradely and friendly atmosphere.

DPRK: Paper Supports 'Nonaligned' European Nations

*SK1007082196 Pyongyang KCNA in English
0803 GMT 10 Jul 96*

["Righteous stand" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — Sweden, Austria and Finland resolutely refused to enter the NATO and the Western European Union, a military bloc of the European Union, despite pressure by big powers.

These countries' conviction that the only right way of safeguarding national sovereignty including national defence, not becoming victims of big powers is to pursue a non-aligned policy is the manifestation of the stand to safeguard national sovereignty by themselves without any help and interference, says NODONG SINMUN today in a signed commentary.

We actively support their non-aligned policy, considering it conducive to defending their independence and ensuring peace and security in Europe, the commentary points out, and goes on:

For Sweden, Austria and Finland to pursue the non-aligned policy is not a factor of wrecking peace and security in Europe as some western countries alleged.

It, on the contrary, will contribute to fostering an independent move in Europe and building equality and friendly relationship between countries.

We hold that their adherence to the independent non-aligned policy and stand is their right and no one can force them into doing other thing, the commentary stresses.

DPRK: Yun Ki-chong Attends Meeting for Mongolian Anniversary

*SK1207043496 Pyongyang KCNA in English
0303 GMT 12 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 12 (KCNA) — A meeting was held here on July 11 to commemorate

the 75th anniversary of the victory of the people's revolution in Mongolia.

Present at the meeting were Minister of Finance Yun Ki-chong, chairperson of the Korea-Mongolia Friendship Association; Chon Yon-ok, vice-chairperson of the Committee for Cultural Relations With Foreign Countries; officials concerned and working people in the city.

Mongolian Ambassador to Korea D. Byambaa [as received] and his embassy officials were present on invitation.

Yun Ki-chong and D. Byambaa made speeches at the meeting.

The meeting adopted a congratulatory letter to the president of Mongolia.

Prior to the meeting, those present saw photographs showing the life of the Mongolian people.

On the same day a cocktail party was given on the occasion.

DPRK: Kang Song-san Greet Mongolian Prime Minister

SK1107232196 Pyongyang KCNA in English
1054 GMT 11 Jul 96

[FBIS Transcribed Text] Pyongyang, July 11 (KCNA) — Kang Song-san, premier of the DPRK Administration Council, sent a message of greetings to Mongolian Prime Minister P. Jarray on the occasion of the 75th anniversary of the Mongolian people's revolution.

The message expressed the belief that the friendly and cooperative relations between the two countries will further develop and wished him new success in his responsible work.

DPRK: Paper Commemorates Mongolian Anniversary

SK1107054396 Pyongyang KCNA in English
0434 GMT 11 Jul 96

[FBIS Transcribed Text] Pyongyang, July 11 (KCNA) — NODONG SINMUN today describes the victorious people's revolution in Mongolia 75 years ago as an important occasion in bringing about a great turn in the history of the Mongolian people.

The Mongolian people have successfully developed the country since the victorious revolution, a signed article of the paper says, and goes on:

Pursuing the foreign policy of equality, mutual respect and non-interference, the Mongolian Government has developed relations with Foreign Countries.

The Korean people are sincerely rejoiced over the achievements made by the Mongolian people in the building of a new life.

The friendly relations between the two countries and the two people have developed on good terms.

The Korean people will continue making efforts to develop the friendly and cooperative relations with the Mongolian people.

DPRK: Kim Yong-nam Attends Party Hosted by Mongolian Envoy

SK1407083596 Pyongyang KCNA in English
0637 GMT 14 Jul 96

[FBIS Transcribed Text] Pyongyang, July 14 (KCNA) — Mongolian Ambassador to the DPRK D. Byambaa on Saturday gave a party at the Ognyu Restaurant on the occasion of the 790th anniversary of the establishment of the first unified state of Mongolia and the 75th anniversary of the victory of the Mongolian people's revolution.

Invited to the party were Vice-Premier and Foreign Minister Kim Yong-nam and officials concerned and foreign diplomats in Korea.

Speeches were exchanged at the party.

DPRK: Departing, Arriving Delegations Reported

SK0907093096 Pyongyang KCNA in English
0909 GMT 9 Jul 96

[FBIS Transcribed Text] Pyongyang, July 9 (KCNA) — A delegation of the Korea-China Friendship Association led by Vice-Minister of Public Health Kim Yong-ik, who is vice-chairman of the C.C. [Central Committee], the association, left here today to visit China.

Also, a delegation of the Kim Il-song Socialist Youth League led by Secretary of its Central Committee Choe Hyon-tok left to attend the meeting of the Coordination Council of the World Federation of Democratic Youth slated in Hungary.

Meanwhile, a delegation of the Chinese People's Association for Friendship With Foreign Countries [CPAFFC] and the China-Korea Friendship Association headed by Vice-President of the CPAFFC Su Guang arrived here.

DPRK: Overseas Organizations Support Peace Proposal

SK0907092796 *Pyongyang KCNA in English*
0832 GMT 9 Jul 96

[Spelling of names as received]

[FBIS Transcribed Text] Pyongyang, July 9 (KCNA) — A signature campaign was conducted in many countries to support a new peace proposal of the Democratic People's Republic of Korea for signing a tentative agreement between the DPRK and the United States.

The signature paper was signed by president of the Socialist Progressive Party of Lebanon Walid Jumblatt and Secretary of the Regional Leadership of the Arab Socialist Baath Party of Lebanon 'Abdallah al-Shahal on behalf of their party members, president of the Syrian Sports Federation and Chairman of the Syrian Olympics Samih Mudalel on behalf of 500,000 sportsmen, Chief of the Syrian Sports Information and Director General of the Newspaper al-Usubu al-Radih Kamil Bundi on behalf of the members of the Union of Journalists of Syria and Chairman of the Zimbabwe-Korea Friendship Group of Parliamentarians T.M. Mberi on behalf of its members.

DPRK: Overseas Groups Support Korean Cause of Reunification

SK1007084696 *Pyongyang KCNA in English*
0826 GMT 10 Jul 96

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — Ceremonies were held in many countries in the June 25-July 27 month of international solidarity with the Korean people.

Rallies were held by public organizations in Pakistan, Nigeria, Guinea, Togo, Mongolia, Egypt, Yugoslavia, Zimbabwe, Ghana, Zambia, Bulgaria and Madagascar.

Lecture meetings, film shows, round-table conversations, book and handiwork exhibitions and other ceremonies took place in many countries, including Benin, Russia and Barbados.

J.O. Adeloju, chairman of the Nigerian Committee for Supporting the Peaceful Reunification of Korea, spoke at a rally held by the Lagos state wing of the Nigerian Union of Teachers on June 25.

He demanded that the U.S. give up its anachronistic illusion, pull its forces out of South Korea at once and show a sincere response to a proposal for a new peace mechanism.

G.P. Chokoyo, secretary of the Harare Provincial Committee of the Zimbabwe Youth Union and member of parliament, addressing a rally, expressed the conviction

that the heroic Korean people under the outstanding guidance of the great leader Comrade Kim Ch will achieve the independent and peaceful reunification of the country without outside interference.

G.C. Quaynor Mettle, chairman of the Ghana-Korea Friendship Association and member of parliament, said that Korea should be reunified in accordance with the proposal for founding the Democratic People's Republic of Korea advanced by the great leader and excellency President Kim Il-sung.

DPRK: Foreign Leaders Express Support for 'People's Struggle'

SK1107032196 *Pyongyang KCNA in English*
0242 GMT 11 Jul 96

["DPRK's Measures for Peaceful Reunification voiced" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 11 (KCNA) — Foreign party and state leaders in their meetings with the Korean ambassadors to their countries voiced support to the Korean people's struggle for peaceful reunification of the country.

Ugandan President Yoweri Kaguta Museveni expressed the conviction that the Korean reunification issue be resolved in accordance with the will of the Workers' Party, government and people of Korea.

He vowed to upgrade the relations with the DPRK.

Sylvestre Ntibantunganya, president of Burundi, expressed the conviction for establishment of a new peace mechanism on the Korean peninsula.

The government and people of Burundi will extend full support to the Korean people in their struggle for the reunification of the country, he said.

Mathieu Kerekou, president of Benin, expressed the conviction for Korea's measures for the peaceful reunification and hoped for their early materialization. Philip M. M. general secretary of the Revolutionary Party of Benin, expressed the conviction that the Workers' Party of Korea and the Democratic People's Republic of Korea under the wise guidance of the great leader Comrade Kim Chong-il will achieve big success in social construction and their efforts for national reunification under the uplifted banner of the chuche idea.

DPRK: Anniversary of Kim Il-sung's Death Commemorated Overseas

SK1207233596 *Pyongyang KCNA in English*
0800 GMT 12 Jul 96

[FBIS Transcribed Text] Pyongyang, July 12 (KCNA) — The Group for the Study of the Chuche

Kim Il-song and Kim Chong-il in Vienna, Austria, the Angolan National Committee to Mourn Over the Death of President Kim Il-song and the Arab Centre for the Study of Independence in Jordan held memorial services to commemorate the second death anniversary of the great leader President Kim Il-song.

On the occasion figures of Chinese organisations, including the China Association for International Friendly Contacts and the General Company of Coal Import and Export of China, visited the Korean Embassy in Beijing to lay floral baskets before the president's portrait and made a bow in humble reverence.

Politicians and public figures of Uganda, Togo, Benin, Zaire and Austria visited the Korean Embassies in their countries to pay their respects to President Kim Il-song.

DPRK: Foreign Press Carries Works by Kim Chong-il

SK1007030196 *Pyongyang KCNA in English*
0250 GMT 10 Jul 96

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — Summary of the great leader Comrade Kim Chong-il's immortal famous work "Giving Priority to Ideological Work Is Essential for Accomplishing Socialism" was carried by the Cuban paper TRIBUNA DE LA HAVANA, the Egyptian paper AL SHABABUL ARABI and the Indian paper LOKVANI. Under the title "The Importance of Ideological Work" the Cuban paper dated June 24 said Comrade Kim Chong-il stressed in the work that only when the popular masses arm themselves with socialist ideology and firmly consolidate the socialist ideological bulwark, socialism will be defended in any storm and that the practical experiences of the Korean revolution clearly proved it.

The Syrian paper AL BAAS and the Guinean paper HOROYA carried his work "The Workers' Party of Korea Is the Party of the Great Leader Comrade Kim Il-song" and the Bangladesh paper AL AMIN his work "Respecting the Forerunners of the Revolution Is a Noble Moral Obligation of Revolutionaries".

DPRK: Kazakhstan Chuche Study Group Renamed After Kim Chong-il

SK0907044196 *Pyongyang KCNA in English*
0311 GMT 9 Jul 96

[FBIS Transcribed Text] Pyongyang, July 9 (KCNA) — An Association for the Study and Dissemination of the Chuche Idea named after Comrade Kim Chong-il was inaugurated in Kazakhstan.

The inaugural meeting was held at the commercial school under the State Academy of Architecture in Almaty on June 28.

Andrei Grishin was elected chairman of the association.

In his speech at the meeting, Andrei Grishin said the great leader President Kim Il-song founded the chuche idea long ago and led the Korean revolution to victory.

"The dear leader Comrade Kim Chong-il is enriching the chuche idea," the speaker said. "It is a trend of the times to study and disseminate the chuche idea. In order to disseminate this idea in Almaty and throughout Kazakhstan, we have decided to rename our organisation the Youth Committee for Support to the Anti-Imperialist Struggle the Association for the Study and Dissemination of the Chuche Idea Named After Comrade Kim Chong-il."

A letter to Comrade Kim Chong-il was adopted at the meeting.

DPRK: Cambodian Publishing House Prints Kim Chong-il's Work

SK0907043096 *Pyongyang KCNA in English*
0309 GMT 9 Jul 96

[FBIS Transcribed Text] Pyongyang, July 9 (KCNA) — The great leader Comrade Kim Chong-il's famous work "Respecting the Forerunners of the Revolution Is a Noble Moral Obligation of Revolutionaries" was printed in booklet by the Cambodian Publishing House on June 30.

DPRK: Kim Chong-il Thanks Officials, Students for Helping Army

SK1007033496 *Pyongyang KCNA in English*
0257 GMT 10 Jul 96

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to officials and employees of the Ministry of Local Industries, the trade department of the Koryo Service Guidance Bureau and Pyongyang Children's Department Store and 1-1 class law students of Kim Il-song University for setting examples in assisting the People's Army.

He also sent thanks to Choe Chun-sim, a nurse of the hospital of the Pyongyang Textile Combine, who has looked after old woman Choe Yong hailing from South Korea like her mother and devoted all her sincerity to treatment of patients.

DPRK: Kim Chong-il Thanks Officials, Workers for KPA-People Unity

*SK1207043696 Pyongyang KCNA in English
0311 GMT 12 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 12 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to officials and working people of the Sunchon Tobacco Factory, the Taesong General Direct Sales Shop and the Unha Associated Trading Bureau and other units for fully displaying the traditional trait of army-people unity.

DPRK: PRC State Councillor Brings Gift for Kim Chong-il

*SK1307033096 Pyongyang KCNA in English
0321 GMT 13 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 13 (KCNA) — The great leader Comrade Kim Chong-il received a gift from state councillor and secretary general of the Chinese State Council Luo Gan, who is on a visit to the DPRK.

Luo Gan handed the gift to vice-president Yi Chong-ok.

DPRK: Kim Chong-il Thanks Public Security Man, Farmer, Official

*SK1407083196 Pyongyang KCNA in English
0629 GMT 14 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 14 (KCNA) — The Great Leader Comrade Kim Chong-il sent thanks to Yun Su-kil, a public security man of the North Hamgyong Provincial Security Bureau, for looking after a Class-A disabled soldier.

He highly praised and thanked Pak Hung-won, a farmer of the Sinhung Cooperative Farm in Chungsan County, South Pyongan Province, and his family for their great contributions to agricultural production and Yi Kum-pok, party secretary of the Sinhung-ri, for giving a good help to the farmer.

His thanks to the party secretary and his gift to Pak Hung-won and his family were conveyed at a meeting held on the spot on July 10.

The title of labour hero of the Democratic People's Republic of Korea was awarded to Pak Hung-won and the labour orders to Yi Kum-pok and the wife of Pak Hung-won at the meeting.

DPRK: Bhutto Sends Message to Kim Chong-il on Death Anniversary

*SK1407231996 Pyongyang Korean Central
Broadcasting Network in Korean
2100 GMT 11 Jul 96*

[FBIS Translated Text] The great leader [widaehan yongdoja] Comrade Kim Chong-il received a telegram from Benazir Bhutto, prime minister of Islamic Republic of Pakistan, on the occasion of the second anniversary of the death of Comrade Kim Il-song, the great leader [widaehan suryong] of our party and people. The telegram reads as follows:

Pyongyang.

To Your Excellency Marshal Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the Korean People's Army:

Your Excellency, on occasion of the anniversary of the death of His Excellency Kim Il-song, president of the DPRK and the great leader [widaehan suryong], the Pakistani people and government express their deepest regrets to you and to the people of the DPRK. President Kim Il-song is praised as a great leader [widaehan suryong] of the modern world due to his endless struggle accomplishments for the DPRK people's freedom, welfare, and justice. The Pakistani people will always remember him as a friend, and we believe that his cause will be completed by you who is possessed with devotion. I pay my most humble reverence to Your Excellency.

[Signed] Benazir Bhutto, prime minister of the Islamic Republic of Pakistan

[Dated] 2 July 1996, Islamabad

DPRK: Kim Chong-il Receives Telegrams From Groups in Japan

*SK0907051496 Pyongyang KCNA in English
0315 GMT 9 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 9 (KCNA) — The great leader Marshal Kim Chong-il received telegrams from the Standing Council of the Federation of Korean Workers in Commerce in Japan, the Central Standing Committee of the Korean Youth League in Japan, the Central Standing Committee of the Union of Democratic Korean Women in Japan, the Central Standing Committee of the Union of Korean Teachers and School Clerks in Japan and other organisations under the General Association of Korean Residents in Japan (Chongnyon) and their branches, the Korea News Service, the CHOSON SINBO company, the Hagu Bookshop and other enterprises, local headquarters of

Chongnyon, the Chongnyon Central Academy, Choson University and Korean schools and Koreans in Japan on the occasion of the second anniversary of the great leader Generalissimo Kim Il-song.

The telegrams praised the generalissimo, the first great leader in the Korean nation's history of five thousand years, as the savior of the resurrection of Koreans in Japan in that he liberated their motherland, formed Chongnyon and led them along the road of patriotism.

The generalissimo made tireless activities for the country's prosperity and the people's happiness, always finding himself among the people until the last moment of his life, the telegrams noted.

They expressed the resolution of the Koreans in Japan to venerate the generalissimo as the sun of chuche for all ages, exalt his leadership exploits forever and bring about a new advance in the movement of Koreans in Japan under the wise leadership of the respected Marshal Kim Chong-il.

They sincerely wished Marshal Kim Chong-il a long life in good health.

DPRK: Kim Chong-il Receives Messages From South Koreans in Japan

SK1107032096 *Pyongyang KCNA in English*
0239 GMT 11 Jul 96

[FBIS Transcribed Text] *Pyongyang, July 11 (KCNA)* — The great leader Marshal Kim Chong-il received telegrams from ethnic Koreans in Tokyo, Hokkaido, Kyoto, Osaka and other areas of Japan, who are under influence of the South Korean Residents Association in Japan (Mindan), and South Koreans staying in Japan on the occasion of the second anniversary of the death of the great leader Generalissimo Kim Il-song.

The telegrams note that they are deeply yearning after Generalissimo Kim Il-song on the occasion of his second anniversary.

The telegrams praise the immortal revolutionary exploits performed by him for the country and nation, for the era and humankind and express their determination to devote their all to the reunification of the country, united under the banner of great national unity, holding the respected General Kim Chong-il in high esteem as the lodestar of national reunification, true to Generalissimo Kim Il-song's behests.

They sincerely wish General Kim Chong-il a long life in good health.

DPRK: Kim Il-song's Friend Calls Kim Chong-il Today's Kim Il-song

SK1607113296 *Pyongyang Korean Central Broadcasting Network in Korean*
2220 GMT 13 Jul 96

[Article by Son Won-tae, 82, a Korean-American doctor: "The Leader Kim Chong-il (Kimjongil Yongdojabun) Is Today's President Kim Il-song"; written in July 1996]

[FBIS Report] The 40-minute article begins with Son's recollections of his five-year reunion with Kim Il-song after being parted for over 60 years. Son states: "The five years were the ecstasy of my life, during which I realized the true value and meaning of life." The article goes back to Son's childhood and recollects his friendship with Kim Il-song, whom Son remembers by his former name, Kim Song-chu, in Jilin Province, in China.

Son states that Kim Il-song was his mental pivot for all his life, and that he desperately wanted a reunion with Kim Il-song, but worried about his status as a U.S. citizen. He was surprised to learn that Kim Il-song also looked for him for many years, and later was happy to be welcomed by Kim Il-song. Son was grateful that Kim Il-song did not mind his background as a son of a pastor, or his life spent in the United States. Son continues: "The president did not try to make me a procommunist, or use me to fight against his political opponents," but accepted him as an old friend from Jilin.

Son praises what a wonderful country Kim Il-song has built. When Son regretted that he had not joined the war to liberate the country, Kim Il-song consoled him, saying that as long as one did not stain the spirit of the nation and preserved patriotism, one was a patriot. Son was more grateful being called a patriot when he had spent his life only as a doctor. All Kim Il-song asked was that Son visit him more often. Son recalls his last meeting with Kim Il-song, at the end of May 1994 on a sightseeing boat on the Taedong River, and describes how sad it was to hear the news of Kim Il-song's death.

When Son visited the bier of Kim Il-song, he met Kim Chong-il, who treated him with the same hospitality, telling him that Kim Il-song wanted to give him an 80th birthday party. Son states: "At that time, I saw the face of the president in the respected face of the leader [yongdojabun], and heard the voice that is unmistakably the president's in the voice of the leader [yongdojabun]." Son recalls how Kim Il-song had praised Kim Chong-il's work, including the construction of Tongil Street and 30,000 houses in a year. After the meeting with

Kim Chong-il, Son was confident that the DPRK people would rise again under the leadership of Kim Chong-il.

After the funeral, Son did not return to the United States, but spent some time on a mountain. One day, he received news that Kim Chong-il had asked him to accept the villa where he was staying as an inheritance from Kim Il-song. Kim Chong-il even fulfilled Kim Il-song's will and gave Son a birthday party. Son did not want to celebrate his birthday during the mourning period, but Kim Chong-il insisted that he had to carry out his father's will, and invited 300 social leaders and Son's family from the United States to the party. Kim Chong-il gave Son and his wife jewelry and platinum wristwatches as birthday gifts, making Son "bow his white-haired head to the leader's benevolence and lofty filial piety."

Son states that Kim Il-song's will lives in Kim Chong-il, and that as long as his will is alive, he is not dead. Son never believed in the resurrection of Jesus, but is sure that Kim Il-song is immortal.

Son continues: "I am proud to say that the birthday party was proof, telling those who had expected some changes in the North after the president passed away that President Kim Il-song's cause is being continued by the leader Kim Chong-il [kimjongil yongdojabun] without the slightest deviation."

The next year, Son returned to Pyongyang, saw the Kumsusan Memorial Palace, and reconfirmed Kim Il-song's immortality.

A U.S. reporter asked Son about the delay in the official presidential election in North Korea. Son explained that the reason is Kim Chong-il's filial piety. Son told the reporter: "The formality of the election ceremony [chudae haengsa] does not matter in the Republic. Leader Kim Chong-il has long been the supreme leader [choego yongdoja] in the hearts of the people." He also noted: "Both President Kim Il-song and leader Kim Chong-il did not win the position of the leader [yongdoja] with the help of outside forces or through a short election campaign. They both naturally ascended to the position of the leader [yongdoja] through the hearts of the people."

Son notes that Kim Chong-il has been the only successor for more than 30 years, during which time he has been involved in every aspect of state affairs. Son uses the example of how Kim Chong-il handled the controversial nuclear issue with the United States, and praises him as "a skilled diplomat and an ever-victorious general." Son goes on and states: "Following the passing of President Kim Il-song, leader Kim Chong-il has ascended to the highest military and political position

in the North. In such a short period, he has already shown his extraordinary wisdom, mature ability, and a strong spirit of independence as a great politician who has overcome all difficulties in international politics."

Son praises Kim Chong-il's politics as "dynamic" and "large-in scale," proving that he has fully inherited Kim Il-song's political style. Son also praises Kim Chong-il's frequent visits to Army units as resembling Kim Il-song's anti-Japanese activities. Seeing Kim Chong-il's efforts, Son writes: "I wanted to proudly cry out that leader Kim Chong-il is today's President Kim Il-song. It is not an accident that the Korean people praise him as General Kim Il-song. As we entrusted our destiny to President Kim Il-song yesterday, we entrust our destiny and future to General Kim Chong-il today."

Son is writing an autobiography on his friendship with Kim Il-song.

DPRK: Anniversary of Kim Il-song's Death Commemorated Overseas

SK1007085396 *Pyongyang KCNA in English*
0812 GMT 10 Jul 96

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — A memorial service to remember the great leader President Kim Il-song was held in Islamabad on July 2 under the cosponsorship of the Pakistan Government, the People's Party, the Muslim League, the Group of Senators for Pakistan-Korea Friendship, the Pakistan-Korea Friendship Association, the Pakistan Federal Union of Journalists and the Pakistan National Federation of Trade Unions on his second death anniversary.

Present at the service were the minister of population welfare and other government officials, political and public figures and men of the press.

Participants laid bouquets and flowers before the portrait of President Kim Il-song and made bows in humble reverence.

Memorial services were held by the Cuba-Korea Friendship Steel Works, the Paektusan Czech-Korea Friendship Association, the Russian Free Patriotic Party for "Revival", the Moscow Committee of War Veterans, the Asian Regional Institute of the Chuche Idea and the Front of Trade Unions of Madagascar.

Jermano Luis Pascoal [spelling of name as received], chairman of the Angolan Unity Party for Democracy and Progress, visited the Korean Embassy in his country to lay a floral basket before the portrait of President Kim Il-song and make a bow in humble reverence.

DPRK: South Side's Pomminnyon Sends Message on Death Anniversary

*SK1007033796 Pyongyang KCNA in English
0303 GMT 10 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — The South side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) on July 6 sent a memorial address to the North side headquarters of Pomminnyon on the occasion of the second anniversary of the death of the great leader President Kim Il-song.

The address said that the death of the great President Kim Il-song remains a bitter sorrow to the South Korean compatriots.

Noting that building the country to be reunified through confederacy is the supreme task and the most important undertaking, it stressed that 70 million fellow countrymen of the South, North and overseas should be united.

All the members of the South side headquarters, on behalf of compatriots in the South, firmly vow to fight to the end shoulder to shoulder with compatriots in the North in building a reunified country, it said.

DPRK: PRC, Russian Officials Honor Kim Il-song 7 Jul

*SK1107143696 Pyongyang Korean Central
Broadcasting Network in Korean 2100 GMT 7 Jul 96*

[FBIS Translated Text] On 7 July, PRC and Russian consul generals and staff of the consulates in Chongjin and representatives from some 30 PRC organizations in the Northeast region, including the Yanbian Communications and Trade Corporation and the Longjing Foreign Trade and Economic Corporation, laid floral baskets before the statue of the respected and beloved leader [kyongachanun suryongnim] in Chongjin to commemorate the second anniversary of the death of the Great Leader Comrade Kim Il-song.

The guests laid floral baskets and paid homage to the great leader [widachan suryongnim], who made an immortal contribution to the cause of the world's independence and friendship between the countries.

DPRK: Hanchongnyon Expresses Condolences on Death Anniversary

*SK1007033596 Pyongyang KCNA in English
0255 GMT 10 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — The South Korean Federation of University Student Councils (Hanchongnyon) published a statement on July 8 on the great leader President Kim Il-song's second death anniversary, according to a report.

The organisation in the statement expressed condolences on the president's second anniversary, representing the deepest reverence of the South Korean students.

The statement said that the president waged an anti-Japanese revolutionary struggle in the period of the Japanese imperialist colonial rule, restored the country and built a new society in the northern half of Korea.

In the statement the organisation demanded that the puppet government stop military manoeuvres and slanders against the DPRK.

DPRK: Koreans in PRC Honor Kim Il-song at Beijing Embassy

*SK1007033696 Pyongyang KCNA in English
0251 GMT 10 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — Li Zaide, who is related to the anti-Japanese revolutionary struggle, the internationalist Zhang Weihua's daughter and her husband, Shang Yue's children, the Association of Korean Businessmen in Beijing, the Society of Korean Women in Beijing, the Primary School of Ethnic Koreans in Beijing and other Korean organisations and Koreans in China and DPRK citizens in China visited the Korean Embassy in Beijing on Monday, the second anniversary of the great leader President Kim Il-song.

They laid floral baskets and paid homage before the president's portrait.

DPRK: Overseas Koreans, Foreign Envoys Visit Kumsusan

*SK0907054496 Pyongyang KCNA in English
0326 GMT 9 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 9 (KCNA) — Overseas Koreans, including vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan O Hyong-chin, staying in the socialist homeland and foreign diplomatic envoys and guests in Korea Monday paid their respects to the great leader President Kim Il-song at the Kumsusan Memorial Palace on his second death anniversary.

They looked up to the president's statue in humble reverence and made a bow to the president who is preserved in state.

16 July 1996

DPRK: Memorial Services Held To Commemorate Kim Il-song's Death

SK0907053996 *Pyongyang KCNA in English*
0324 GMT 9 Jul 96

["Memorial Services for President Kim Il-song" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 9 (KCNA) — Memorial services were solemnly held in provinces, cities, counties and at complexes on July 8 to commemorate the great leader President Kim Il-song's second death anniversary.

Those present at the ceremonies paid a silent tribute to the memory of President Kim Il-song.

The speakers at the ceremonies said that the past two years after the death of the fatherly leader President Kim Il-song were significant years during which the Korean people cherished more unshakable faith that the respected president is always with them and demonstrated their revolutionary will to hold him in high esteem for all ages.

Though his heart stopped beating, they noted, Comrade Kim Il-song is preserved in state at the Kumsusan Memorial Palace, the sacred temple of chuche, and he would always be with the Korean people, who are making a powerful advance under the uplifted red flag, as the top brain of the harmonious whole of the leader, the party and the masses as well as a symbol of victory of the world's revolutionary people.

Upholding the leadership of the respected General Kim Chong-il is a sure guarantee for carrying through the last teachings of the president and firmly defending and exalting the socialist cause of chuche, they said.

They called upon all the party members and other working people to cherish a firm faith and spirit that under the leadership of the general, the socialist cause of chuche is sure to win, absolutely believe in and follow him not only in peacetime but in grim days and always remain loyal to his leadership in making revolution.

DPRK: Youth, Organizations Mark Kim Il-song's Death Anniversary

SK0907064596 *Pyongyang KCNA in English*
0638 GMT 9 Jul 96

[FBIS Transcribed Text] Pyongyang, July 9 (KCNA) — A "memorial evening" of youth and school children in Pyongyang and memorial meetings and a "memorial evening" of working people's organizations were held on July 8 on the second anniversary of the death of the great leader President Kim Il-song.

The participants paid a silent tribute in humble reverence to the memory of President Kim Il-song.

The speakers touched on the glorious and brilliant revolutionary history of the president and his undying leadership exploits.

Poems reflecting the feelings of the people yearning after the president were read out there.

DPRK: Overseas Koreans Honor Kim Il-song

SK1107232596 *Pyongyang KCNA in English*
0815 GMT 11 Jul 96

[FBIS Transcribed Text] Pyongyang, July 11 (KCNA) — The overseas headquarters of the National Alliance for the Country's Reunification (Pomminnyon) held a memorial service at its office in Tokyo on Monday to mark the second anniversary of the Great Leader President Kim Il-song. [sentence as received]

Floral baskets in the name of the Headquarters of Koreans in Japan and the Japan Regional Headquarters of Pomminnyon were laid before the portrait of the president in the service hall.

The service was attended by Vice-Chairmen So Mansul and Kwak Tong-ui of the Overseas Headquarters, Director of the Secretariat Im Min-sik, Chairman of the Japan Regional Headquarters Yang Tong-min and other Central Committee members of the Overseas Headquarters of Pomminnyon.

The participants paid a silent tribute to the memory of the president.

Im Min-sik made a memorial address at the service.

Another memorial service sponsored by the International United Confederation of Koreans and the United Confederation of Koreans in Moscow was held at the Friendship Hall in Moscow on Monday.

Meanwhile, Chairman of the International United Confederation of Koreans Kang Il, Chairman of the United Confederation of Koreans in Russia Yi Tong-chol, Chairman of the United Confederation of Koreans in Moscow No Yong-chin, chairman of the Korean Veterans Committee in Moscow Yi Kwang-il, the family of Chong Il-sim and other Koreans in Russia visited the DPRK Embassy in Moscow.

They laid floral baskets and bouquets and made respects before the president's portraits.

DPRK: Foreigners Mark Anniversary of Death of Kim Il-sung

SK1307071496 Pyongyang KCNA in English
0658 GMT 13 Jul 96

[FBIS Transcribed Text] Pyongyang, July 13 (KCNA) — Man Mohan Adhikari, president of the Central Committee of the Nepal Communist Party (United Marxism-Leninism), Narayan Man Bijukchhe, chairman of the Central Committee of the Nepal Worker-Peasant Party, C.P. Mainali, chairman of the great leader Comrade Kim Il-sung National Memorial Commission, Nepal, and other figures visited the Korean Embassy in Kathmandu on July 8 on the second anniversary of the death of the great leader President Kim Il-sung.

They laid floral baskets and bouquets in front of the portrait of President Kim Il-sung and paid homage to him.

President Angel Castro Lavarello and General Secretary Tani Baier Lopera of the National Executive Committee of the Left Revolutionary Union of Peru; Eleazar Gutarra Maravi, chairman of the Peruvian Nationalist Movement of Labour, and other political party leaders and figures of all strata of Peru, Ngoy Nduba, first reporter of the Transitional Parliament of Zaire-the Higher Council of the Republic and secretary general of the Lumumba Democratic Party of Zaire; Dahuku Pere, president of the National Assembly of Togo, Bitokotipou Yagninin, minister of defence of Togo, Ephrem Seth Dorkeno, minister of human rights and reinstatement of Togo; and a delegation of the Togolese People's Rally led by Dogbe Kokou, deputy general secretary of the rally, visited the Korean Embassy in their countries on July 8 and laid floral baskets and bouquets and paid homage before the portraits of President Kim Il-sung.

Guy Dupre, secretary general of the International Liaison Committee for Reunification and Peace in Korea, on July 8 visited the DPRK general mission in Paris and laid a floral basket in front of the portrait of President Kim Il-sung in the name of the committee.

President Rakotobao Andriantiana and General Secretary Gisele Rabesahala of the party of the congress for the independence of Madagascar, Razafindrabe Andre, secretary general of the Monima Socialist Organization of Madagascar, and other political party leaders and senior officials of social organizations on July 5 visited the Korean Embassy in Antananarivo and laid bouquets of flowers before the portrait of President Kim Il-sung.

DPRK: Guinean President Sends Flowers to DPRK Embassy

SK1507034196 Pyongyang KCNA in English
0327 GMT 15 Jul 96

[FBIS Transcribed Text] Pyongyang, July 15 (KCNA) — The Guinean president, Lansana Conte, sent a floral basket to the Korean Embassy in Conakry on the second death anniversary of the great leader President Kim Il-sung.

On July 8, a Guinean Government delegation led by the minister of justice, who is acting foreign minister, laid a floral basket in the name of the Guinean president before the portrait of President Kim Il-sung, praying for his eternal life.

DPRK: PRC Delegation Pays Respects at Kim Il-sung's Statue

SK1007033896 Pyongyang KCNA in English
0253 GMT 10 Jul 96

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — The visiting delegation of the Chinese People's Association for Friendship with Foreign Countries (CPAFFC) and the China-Korea Friendship Association led by Su Guang, Vice-president of the CPAFFC, paid respects to the great leader President Kim Il-sung's statue on Mansu Hill on Tuesday.

Delegations of the Jian City tourism bureau, the Linjiang City exports and imports corporation for external economic affairs and trade in Jilin Province and other Chinese delegations visited the president's statue in Kanggye City, Korea, on July 8 and 9.

They laid floral baskets and bouquets and made respects before the statues.

DPRK: Lebanese Party Leaders Send Floral Baskets to Embassy

SK1307031596 Pyongyang KCNA in English
0311 GMT 13 Jul 96

[FBIS Transcribed Text] Pyongyang, July 13 (KCNA) — Farouk Dahrouj, general secretary of the Central Committee of the Lebanese Communist Party, and Abdallah al-Shahal [spelling of names as received], secretary of the Lebanese Regional Leadership of the Arab Socialist Baath Party, sent floral baskets to the Korean Embassy in Beirut on July 8 and 9 on the second anniversary of the death of the great leader President Kim Il-sung.

The floral baskets were laid before the portrait of President Kim Il-sung.

DPRK: Syrian Officials Present Floral Baskets to Embassy

SK1307063996 *Pyongyang KCNA in English*
0325 GMT 13 Jul 96

[FBIS Transcribed Text] *Pyongyang, July 13 (KCNA)* — The Syrian President, Hafiz al-Asad, sent an extra-large floral basket to the Korean Embassy in Damascus on the second death anniversary of the great leader President Kim Il-song.

Commander of the southern area of the Syrian Army Adil Mahmud Qanin [spelling of name as received], authorized by the president, who is also commander-in-chief of the Army and armed forces of Syria, visited the Korean Embassy on July 9 to lay the floral basket and make a bow before the portrait of President Kim Il-song.

The army and people of Syria always remember and revere President Kim Il-song, he said, and went on:

"President Kim Il-song is a great man.

"He assisted our people with all sincerity.

"Our president, commander-in-chief of the army and armed forces of Syria, sent us here, remembering the great President Kim Il-song.

"We would like to take this opportunity to wish the Korean people a bigger success and prosperity under the leadership of the respected Comrade Kim Chong-il."

Mahmud al-Zu'bi, Syrian prime minister, sent a large floral basket to the Korean Embassy on the second anniversary of President Kim Il-song.

On July 8, Minister of State for Cabinet Affairs Muslim Muhammad, authorized by the prime minister, laid the floral basket and made a bow before the portrait of President Kim Il-song at the embassy.

DPRK: Koreans in Japan Hold Memorial Service for Kim Il-song

SK1007055996 *Pyongyang KCNA in English*
0423 GMT 10 Jul 96

[FBIS Transcribed Text] *Tokyo, July 8 (KNS-KCNA)* [dateline as received] — A memorial service of Korean Residents in Japan was solemnly held at the Korean Hall here Monday to commemorate the second anniversary of the great leader Generalissimo Kim Il-song.

A portrait of Generalissimo Kim Il-song was hanging on the front wall of the service hall.

Attending the service were Chairman Han Tok-su, Chief Vice-chairman Ho Chong-man, vice-chairmen of the

Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), director of its secretariat and department directors, leading officials of organizations and enterprises and other officials of Chongnyon.

At the service a floral basket in the name of the Chongnyon Central Standing Committee was laid before the portrait.

The participants paid a silent tribute in humble reverence to the memory of Generalissimo Kim Il-song, the eternal sun of chuche and the tender-hearted father of 700,000 Korean Residents in Japan.

In his memorial address, Chairman Han Tok-su said the lifetime of the respected Comrade Kim Il-song is a glorious and brilliant history of the peerless patriot, the noble revolutionary, the great teacher of ideology and leadership, and the father of all peoples, who embarked on the road of revolution in his teens, always found himself among the people and went a long way for them, performing undying feats in the history of the nation and the world.

Since he had performed undying exploits with his great idea, wise leadership and warm love, he will be immortal with the eternal prosperity of the country and the nation, with the ranks of Chongnyon advancing along the road of patriotism as well as progressive peoples struggling for an independent, new world no matter how many years may pass, the speaker stressed.

Han Tok-su declared that they, cherishing deep in mind the teachings of the respected General Kim Chong-il, would uphold Generalissimo Kim Il-song with loyalty and filial piety for all ages and strengthen and develop Chongnyon into an overseas patriotic organization, which will always remain loyal to the general, as he indicated in his historic letter to Chongnyon and Koreans in Japan.

Speeches were made at the service.

Meanwhile, memorial events for Generalissimo Kim Il-song took place at regional headquarters and branches of Chongnyon on the same day.

DPRK: Castro Sends Floral Basket on Kim Il-song Death Anniversary

SK1107040396 *Pyongyang KCNA in English*
0244 GMT 11 Jul 96

[FBIS Transcribed Text] *Pyongyang, July 11 (KCNA)* — Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba and president of the council of state and president of the council of ministers of the Republic of Cuba, sent a floral basket

to the Korean embassy in Havana on the second death anniversary of the great leader President Kim Il-song.

The floral basket was laid before the portrait of President Kim Il-song in the embassy.

DPRK: ROK Denounced for Suppressing Kim Il-song Mourners

SK1107232496 Pyongyang KCNA in English
0834 GMT 11 Jul 96

["Unpardonable Fascist Step by S. Korean Puppets" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 11 (KCNA) — NODONG SINMUN today accuses the South Korean puppets of throwing police dragnet against the South Korean Federation of University Student Councils for the statement of condolences it released to commemorate the second anniversary of the death of the Great Leader President Kim Il-song.

In a commentary the daily says:

They have charged that the statement's expressions revering the father of the nation are against the "National Security Law". This is another fascist charge which can be brought only by the Kim Yong-sam group with no sense of courtesy and morality and with no concern for the fellow countrymen.

It was only too natural that the South Korean student organization issued the statement reflecting feelings of the South Korean people.

It represented the great revolutionary history of President Kim Il-song, who devoted his whole life to the restoration of the country, the freedom and happiness of the people and the reunification of the nation, as it is. So, they can never be punished.

The Kim Yong-sam group brutally suppressed South Korean people when they were sharing deep sorrow with the fellow countrymen in the North over his death two years ago. However, they have still refused to apologize for their misdeed and continued such anti-national, anti-ethnic criminal acts.

We will never remain an onlooker to their crimes but make them pay dearly for what they did.

DPRK: Russian, PRC, Other Delegations Visit Kumsusan Memorial

SK1207043396 Pyongyang KCNA in English
0303 GMT 12 Jul 96

[FBIS Transcribed Text] Pyongyang, July 12 (KCNA) — A delegation of the Far Eastern academy of civil servants of Russia, a delegation of the Liaoning provin-

cial decorative materials import and export company of China, Palestinian students in Korea and other foreigners paid their respects to the great leader President Kim Il-song at the Kumsusan Memorial Palace on July 11.

The guests paid homage to the president's statue and made respects to the president, who is preserved in state.

DPRK: CPRF Information Denounces ROK Student 'Suppression'

SK1207043796 Pyongyang KCNA in English
0308 GMT 12 Jul 96

["Brutal Suppression of Students Denounced" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 12 (KCNA) — The secretariat of the Committee for the Peaceful Reunification of the Fatherland on Thursday issued information No. 719 denouncing the South Korean fascist clique for adopting a measure to begin an investigation into the South Korean Federation of University Student Councils, which published a statement to commemorate the second death anniversary of the great leader President Kim Il-song.

The information says that the organization's expression of deep condolences on the second death anniversary of the president is a quite righteous act reflecting the hearts of the South Korean students and people who are missing and revering the father of the nation.

The Kim Yong-sam fascist clique's suppression of the students, it notes, is an anti-national, anti-ethnic bestial act that can be done only by a herd of gangsters ignorant of morality.

The Korean people will never pardon the Kim Yong-sam group, the enemies of the nation, who commit indelible crimes against the nation.

DPRK: Books Praising Kim Il-song Published

SK1207215996 Pyongyang KCNA in English
0804 GMT 12 Jul 96

[FBIS Transcribed Text] Pyongyang, July 12 (KCNA) — "The Respected Leader Comrade Kim Il-song, a Great Man of the Century" was recently published by the Workers' Party of Korea Publishing House.

It is an introduction to a series of books "The Immortal Revolutionary Feats of the Great Leader Comrade Kim Il-song," which will be published in 21 volumes. The introduction gives an overall, comprehensive explanation of the characters of President Kim Il-song as an outstanding thinker and theoretician, distinguished statesman, rare military strategist, tender-hearted father of the people, great revolutionary and great man.

It consists of the preface "Yearning After the Great Man of the Century", four chapters "Brilliant Thinker and Theoretician Who Founded the Guiding Ideology of the Era", "The Great Man Who Led the Cause of Independence of the Popular Masses to Victory", "The Great Father Who Looked After the Destiny of the People With Noble Virtues" and "The Great Revolutionary and Great Man" and the conclusion "We Will Always Hold the Great Leader Comrade Kim Il-song in High Esteem."

DPRK: Cuban Communist Party Delegation Visits Kim Il-song Statue

SK1407063496 Pyongyang KCNA in English
0630 GMT 14 Jul 96

[FBIS Transcribed Text] Pyongyang, July 14 (KCNA) — The delegation of the Communist Party of Cuba (CPC), on a visit to the DPRK, on Saturday (13 July) visited the great leader President Kim Il-song's statue on Mansu Hill in Pyongyang to lay bouquets of flowers and pay respects.

The delegation is headed by Jose Ramon Balaguer, Politburo member of the CPC Central Committee.

DPRK: Students Place Flowers Before Kim Il-song's Statue

SK1507041096 Pyongyang KCNA in English
0334 GMT 15 Jul 96

[FBIS Transcribed Text] Pyongyang, July 15 (KCNA) — The home visiting groups of Korean students in Japan, on a visit to the socialist homeland, laid floral baskets and made a bow before the statue of the great leader President Kim Il-song on Mansu Hill on July 13.

DPRK: Minister of Shipbuilding Industry Dies

SK1407083896 Pyongyang KCNA in English
0639 GMT 14 Jul 96

[FBIS Transcribed Text] Pyongyang, July 14 (KCNA) — Yi Sok, member of the Workers' Party of Korea Central Committee, deputy to the Supreme People's Assembly of the DPRK and minister of the shipbuilding industry, passed away on July 13, 1996, at the age of 68.

He worked at responsible posts of major industrial establishments and state economic organ of the shipbuilding industry for many years and actively contributed to consolidating the foundation of the self-reliant national economy and improving the living standard of the people.

DPRK: Kim Chong-il Sends Wreath to Bier of Yi Sok

SK1507041196 Pyongyang KCNA in English
0331 GMT 15 Jul 96

[FBIS Transcribed Text] Pyongyang, July 15 (KCNA) — The great leader Comrade Kim Chong-il Sunday sent a wreath to the bier of Yi Sok, member of the Workers' Party of Korea Central Committee, deputy to the Supreme People's Assembly of the Democratic People's Republic of Korea and minister of the shipbuilding industry, to express deep condolences over his death.

DPRK: Unha Trade Combined General Bureau Marks Anniversary

SK1507021596 Pyongyang Korean Central Broadcasting Network in Korean
2100 GMT 14 Jul 96

[FBIS Translated Text] On the 20th founding anniversary of the Unha Trade Combined General Bureau, its functionaries and the working class of its-affiliated plants and work sites are vigorously fanning the flame of the struggle to carry out the party's trade-first principle.

The general bureau has actively contributed to displaying the justness and vitality of our party's trade policy by vigorously conducting production and trade activities during the last 20 years since its organization in accordance with the fatherly leader's [oboi suryong] teaching on 15 July 1976.

Inaugurated with approximately 40 plants at the beginning, today the general bureau has turned into the country's reliable base for processing trade, possessing approximately 100 plants and work sites, including textile plants capable of spinning 6,000 tonnes of yarn a year and weaving upwards of 30 million meters of textile; garment plants capable of yielding tens of million of pieces of clothes; socks and button plants; technical preparation sites; and supply companies.

During these years, the general bureau had greatly contributed to developing the people's economy and to further upgrading the people's lives by increasing exports every year through its expanded production capability and exports, which have grown 40 times and ten times, respectively.

**DPRK: Work of Kim Chaek Steel Complex
Commended**

*SK1007024196 Pyongyang Korean Central
Broadcasting Network in Korean 1200 GMT 5 Jul 96*

[FBIS Translated Text] Upholding the party's revolutionary economic strategy, steel producers of the Kim Chaek Steel Complex have risen to implement the party's strategy. They are vigorously engaging in the battle to produce steel materials.

Under the guidance of the party organization, functionaries of this complex methodically planned a co-operation system between the blast furnace unit, steel unit, and coal mining unit, and are actively organizing and guiding work to produce more steel with less material and fuel in conformity with the field condition.

Functionaries and workers of the blast furnace unit developed a scientific method for furnace work and accepted the advanced work method to secure raw materials. They actively reduced the time that molten iron stays in the furnace, while producing good quality molten iron.

Workers of the No. 1 Steel Unit also reduced the time molten iron stayed in the mixing furnace, and found reserve fuel, materials, and electricity. They methodically planned their work and have been proven successful.

Meanwhile, the flame of innovation expanded to the coal mining unit, actively contributing to increasing steel production.

**DPRK: Military Role in Kungangsan Power
Station Lauded**

*SK1307085296 Pyongyang KCNA in English
0813 GMT 13 Jul 96*

[NODONG SINMUN on Feats of Servicemen in Construction of Kungangsan Power Station] — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 13 (KCNA) — NODONG SINMUN today carries a political essay headlined "The Country Always Keeps Servicemen in Memory".

The authors of the essay say the Kungangsan Power Station built as the Kim Il-sung nation's wealth and grand monument of eternal value is a great edifice produced by the revolutionary spirit of the soldiers, the height and model of the present era's revolutionary spirit.

Korea's mettle, might and spirit are in other words the heroic spirit and invincible might of the army and the indomitable spirit of the soldiers, says the essay.

It quotes the Great Leader Comrade Kim Chong-il as saying:

"It is the greatest glory and pride of our party to have the people's army, which devotedly defends the party and the leader and carries through the party's order without fail in any circumstances."

The revolutionary spirit displayed by servicemen in the construction of the power station is a strong spirit of fulfilling whatever difficult tasks given by the party. It is also a spirit of unconditionally implementing what the leader orders and what the supreme commander determines to do.

This disposition is peculiar to our people's army, which fulfills any orders given by general Kim Chong-il without fail, in hearty response to the slogan "When the party is determined, we can do anything!"

The revolutionary spirit by the servicemen in the project is also an expression of unfailing loyalty to the party and the leader and to the country and the people, mass heroism and self-sacrificing spirit.

They are true soldiers of the leader and heroic sons of the country who have shown how the soldiers should uphold the party and the leader and how they serve the country and the people.

Theirs is also an indomitable optimistic spirit of overcoming any difficulties.

They have believed that they could successfully finish the project because they were led by General Kim Chong-il, an ever-victorious iron-willed brilliant commander, and he trusted in them.

The revolutionary spirit prevailing in the country is rooted in the indestructible integrated whole of the supreme commander and his soldiers. The former believes in the latter and the latter devotedly defends the former with loyalty. It was the great strength which built the power station.

The source of the revolutionary spirit of the soldiers is precisely the embodiment of General Kim Chong-il's ideas and faith.

The ideas of the army guided by him are excellent and its faith and spirit are strong and its might is invincible.

The feats performed by the soldiers for the country are always remembered by the leader and the country.

We will never forget the indomitable revolutionary spirit and heroic feats they have demonstrated and performed in the construction of the gigantic power station conducive to the prosperity of the country.

displaying unrivalled heroism in the most difficult period.

Victory always belongs to us because the Great General Kim Chong-il, an iron-willed brilliant commander, guides us and we have the people's army, unfailingly loyal to him and faithful to the country and the people, and the indomitable revolutionary spirit of the soldiers.

May the country ever prosper along with the Kumgangan Power Station!

Deep thanks go to the heroic servicemen of the leader and the people.

DPRK Middle School Renamed After Korean War Heroes

*SK1407084496 Pyongyang KCNA in English
0641 GMT 14 Jul 96*

[FBIS Transcribed Text] Pyongyang, July 14 (KCNA) — The Yongwon Senior Middle School in Sinpo City, South Hamgyong Province, was renamed Hero Yongwon Senior Middle School with due ceremony on July 12.

Seven graduates of the school became DPRK heroes during the Fatherland Liberation War (June 1950-July 1953) and eight graduates became labour heroes in the period of socialist construction.

The Great Leader Comrade Kim Chong-il noted with high appreciation that the school has produced the largest number of heroes in Korea. The school should be called Hero Yongwon Senior Middle School, he added.

At the ceremony held at the school, the speakers described the heroes produced by the school as noble-hearted people of the times who lived up to the favours of the Great Leader President Kim Il-sung and Comrade Kim Chong-il with intense loyalty and put their heart and soul into the implementation of the party lines and policies.

South Korea

ROK Daily Questions Rise in Estimated LWR Expenses

*SK1607091496 Seoul CHOSON ILBO in Korean
16 Jul 96 p 3*

[Editorial: "Why Are the Expenses for LWR's Ever Increasing?"]

[FBIS Translated Text] The expenses for providing light-water reactors [LWR's] to North Korea are estimated to be a striking amount. Two years ago, when full-fledged discussions on the supply of LWR's were held, the cost for this project was estimated at \$3 bil-

lion. However, the estimate was suddenly raised to \$4 billion. Now that the Korea Electric Power Corporation [KEPCO], a major contractor, has notified the Korean Peninsula Energy Development Organization [KEDO] of its estimate for the LWR construction, the amount is expected to increase to \$6 billion.

Of course it is not that the amounts of \$3 billion or \$4 billion were not mentioned officially. However, two years ago it was the common view of experts that if North Korea were provided with LWR's like the Uljin Reactor Nos. 3 and 4, the expenses would be approximately \$3 billion. Our people's approval for the LWR supply assumed that level of expenses. Yet, the estimate has doubled.

Following a series of recent incidents involving secret funds of hundreds of billions of won, people may consider "billions" to be a figure of no account. But, \$1 billion will equal about 800 billion Korean won. Such a huge amount of money has been added based on a rule-of-thumb estimate. If this is accepted numbly, our people's burden will become great. The authorities should correctly estimate the expense of providing LWR's to North Korea and give a close explanation of why the estimate is higher than the original. No matter how serious inflation may be, its rate cannot match the increase in the estimated cost of this project. The inflation of the dollar, a currency designated to be used in paying the costs of constructing LWR's, has not been so serious, has it?

The cost of supplying LWR's to North Korea will depend greatly on demands by North Korea. Our burden will also considerably depend on the share carried by each member nation of KEDO, including the United States. Accordingly, we had better estimate and clarify the amount we can afford to share, so as to prevent us making a fool of ourselves by shouldering the remaining costs left by other KEDO members, who are expected to pay no more than what they have decided to donate.

What is most important is that we should not waste funds for the supply of LWR's. There is plenty of room to save costs in constructing LWR's by using cheap North Korean labor for comparatively simple services. The expenses for this project will also greatly depend on whether North Korea will show a strict attitude or a cooperative attitude toward setting conditions for transporting materials. KEPCO should exercise its discretion as a major contractor, instead of merely estimating expenses under the leadership of North Korea and the United States.

ROK: General Tilelli Replaces Luck as USFK Commander

SKD907055196 Seoul THE KOREA HERALD
in English 9 Jul 96 p 3

[FBIS Transcribed Text] U.S. Army Gen. John H. Tilelli will succeed Gen. Gary E. Luck as top American general here at a change-of-command ceremony today at the Yongsan Compound in Seoul.

Gen. Tilelli will be the commander-in-chief of the U.S. Forces Korea (USFK), the U.N. Command and the ROK-U.S. Combined Forces Command.

Gen. Luck, who served here for three years, will turn over the tri-commands to Gen. Tilelli and will retire in September, said a spokesman for the U.S. Forces Korea yesterday.

ROK: Sentiment Over Delayed SOFA Talks 'Growing Worse'

SK1607102896 Seoul YONHAP in English
1021 GMT 16 Jul 96

[FBIS Transcribed Text] Seoul, July 16 (YONHAP) — South Korea Tuesday strongly urged the United States to reply, as early as possible, to the proposal on the revision to the Status of Forces Agreement (SOFA) offered by South Korea last March.

Deputy Foreign Minister for political affairs Chong Tak-ik demanded, while meeting with Undersecretary for International Security Affairs Frank Kramer of the U.S. Defense Department, that the U.S. side make a political decision on the revision of the SOFA, pointing out that the national sentiment is growing worse about the delayed talks on the SOFA revision.

Kramer meanwhile promised that his government will soon inform its position on the issue to the South Korean government, Chong said quoting Kramer. The U.S. side said that it has closely been examining the proposal made by South Korea for the past months.

Chong said that South Korea will try to conclude the SOFA revision talks as soon as possible when the U.S. side make a counteroffer.

Chong and Kramer reaffirmed that the U.S. side will continue to maintain its forces on the Korean peninsula as a deterrent to possible attack from North Korea.

The two shared the view that the four-party meeting should be held for peaceful settlement of the tensions on the Korean peninsula while pledging to make efforts to induce the North into the four-way talks which was jointly proposed by South Korea and the United States last April.

Chong and Kramer also agreed that they will make efforts to persuade China to make a constructive role in inducing North Korea into the proposed peace talks.

ROK Daily Warns U.S. Not To Hastily Push Support for DPRK

SK1607133196 Seoul HANGUK ILBO in Korean
16 Jul 96 p 3

[Editorial: "Support of North Korea Should Observe Principle"]

[FBIS Translated Text] There is nothing unusual, in principle, in a cooperative system between the ROK and the United States in pushing for the four-way talks, because the two nations proposed the talks in a bid to build a peace mechanism on the Korean peninsula. In talks with the ROK side during a six-hour stay in the ROK, Anthony Lake, the White House national security adviser, agreed that the United States will not use any means of inducement toward North Korea in an attempt to realize the four-way talks and that it will build an ROK-U.S.-PRC cooperative system in addition to an ROK-U.S.-Japan cooperative system. However, what attracts the people's attention even more is a report that the United States urged the ROK to offer additional food aid to North Korea.

It is not difficult for us to imagine that the United States is paying as much attention as the ROK is to the North Korean situation, which is wavering due to serious economic difficulties and food shortages.

However, while appealing for food aid to all nations except the ROK, North Korea has intentionally kept silent toward the ROK, even after three months have elapsed since the four-way talks were proposed. North Korea, which is certainly aware that the four-way talks are a reasonable way for ensuring peace on the Korean peninsula, claimed at first that "it was reviewing the proposal." When the ROK and the United States proposed a joint explanatory session, it indicated the "exclusion of South Korea" through its 24 May edition of NODONG SINMUN. North Korea has recently been making working-level contacts with the U.S. State Department in New York.

At any rate, it appears that the United States is not willing to offer large-scale food aid to North Korea. The basic U.S. policy is that the ROK government should provide aid to North Korea to help it survive. The United States reconfirms the ROK-U.S. cooperative system regarding the four-way talks. However, the United States is discontented with the attitude of the ROK side, which is unwilling to give food aid to North Korea. As for our side, public opinion will not tolerate

additional food aid to North Korea unless it accepts the four-way talks, because North Korea has been rejecting dialogue, not to mention official contact, with the ROK. Fund raising by civilian organizations, including the Red Cross, to support North Korea may be allowed, but unless North Korea makes an official request, aid will not be feasible.

It is highly likely that the United States is trying to achieve a joint explanatory session by the ROK and the United States without an outbreak of any sudden incident in North Korea before November's presidential election, with a view to displaying diplomatic achievements for Clinton's reelection. It also appears that the United States expects the ROK to provide aid to North Korea only if North Korea attends the explanatory session. Since North Korea is not willing to have the PRC participate in the four-way talks, there is a possibility that a three-party explanatory session may develop into full-dress talks. However, in view of North Korea's attitude of rejecting the ROK, such a possibility is not likely at the moment. We should realize that in the event aid is offered to North Korea on condition of its participation in the explanatory session, North Korea may request another explanatory session on the pretext of a "confirmation." It may use delaying tactics, presenting pretexts of review and the like, while collecting practical interests.

We would like to call on the U.S. Government not to hastily push ahead with support for North Korea, being conscious of the presidential election, because the outward appeasement of North Korea will not help to attain genuine stability in North Korea or improve North-South relations. Instead, we should point out to North Korea that following its acceptance of the four-way talks, ROK food aid for and economic cooperation with North Korea can be carried out on a full scale. Thus, we should persuade North Korea to come to the negotiating table.

ROK: Kim Yong-sam Discusses DPRK Ties, U.S. Support

SK1607072896 Seoul YONHAP in English
0647 GMT 16 Jul 96

["S. Korea Leads in N. Korean Issue, U.S. Plays Supportive Role": Kim" — KCNA headline]

[FBIS Transcribed Text] Seoul, July 16 (YONHAP) — President Kim Yong-sam said Tuesday that South Korea is taking the lead in handling North Korea-related issues, with the United States providing support.

"As president, I concern myself with North Korean issues because they are very important," Kim said. "South Korea (by rule) is taking the lead in dealing with

those issues and the United States is providing support. There is no difference of view whatsoever between South Korea and the United States."

Kim made the remarks at a Chongwadae (press offices) breakfast he shared with the ruling New Korea Party Central Executive Council members. "Under the current structure, the United States take action bypassing us," according to NKP Spokesman Kim Chol.

Kim, who also heads the ruling party, called for the party's unity behind Chairman Yi Hong-ku, saying, "As party president, I won't issue orders with regard to matters involving the party and the National Assembly. The party, once the unity is achieved, will be able to solve all problems."

With regard to the party's policy coordination with the administration, Kim urged the government to further reinforce such coordination and have sessions more often than in the past. "See to it that policies are not leaked before consultations have been completed," he instructed.

On labor-management relations, Kim told the National Assembly, "Labor and management should not only satisfy their lateral interests, but should promote harmony through mutual concessions in a manner beneficial to the country...perceptions about labor-management relations should be changed. The government is not going to change either labor or management."

ROK: DPRK's Stance Toward Four-Way Talks Reviewed

SK1607084696 Seoul CHOSON ILBO in Korean
16 Jul 96 p 4

[By reporter Ku Song-chae]

[FBIS Translated Text] The issue of "the four-way talks" has begun to writhe again in the three-way talks since they were proposed. North Korea — has assumed a negative attitude toward the four-way talks proposed by the presidents of the ROK and the United States on 16 April — has recently submitted a counterproposal containing the condition of participation in an ROK-U.S. joint explanatory session on the talks. The ROK and the United States have shown delicate differences in their positions to the counterproposal by North Korea.

At a meeting with U.S. State Department officials in New York on 11 July, North Korean officials said that they do not refuse the joint explanatory session presented two conditions, namely, the provision of economic aid and the alleviation of U.S. economic

against North Korea. The North Korean officials insisted they would not participate in the joint explanatory session unless "sincerity" regarding these conditions is expressed.

However, our government insists that there should be no conditions whatsoever for holding the joint explanatory session. In other words, the government's position is that the explanatory session is nothing but a process on the way to holding the four-way talks, and therefore a carrot cannot be provided to North Korea before the four-way talks, the main stage, are held.

Our government insists that although alleviating the economic sanctions is a matter that the U.S. Government should decide on, it is not desirable to alleviate economic sanctions against North Korea as a condition for holding the explanatory session.

Of course, if the four-way talks were held, the situation would change. Such a position of our government was reportedly delivered in a roundabout way to the North Korean side in the current contacts with North Korean officials in New York.

However, the U.S. position toward the four-way talks is more or less different. In the wake of the proposal for the four-way talks, the channels for North Korean-U.S. dialogue have been blocked except for their bilateral issues, including the issue of returning the remains of U.S. soldiers.

In particular, it has apparently become impossible to hold high-level U.S.-North Korean "political dialogue" — which North Korea has tenaciously called for and the United States has inwardly sought — before the four-way talks are held.

The four-way talks are a comprehensive framework to contain major pending issues, such as alleviating tension on the Korean peninsula, North-South exchanges and cooperation, and building a peace mechanism on the peninsula.

Accordingly, this framework also becomes a bridle for North Korea, as well as for the United States, which wants to become an arbitrator in North-South relations. This is why the United States wants the explanatory session to be held through "the ROK's concessions" so that it can play a leading role in North-South relations.

Anyway, a second round of U.S.-North Korean contacts on the same level as the round held in New York on 11 July is scheduled to be held soon in New York. Until then, the ROK, the United States, and North Korea are to review their respective conditions to be presented in the joint explanatory session.

Now is the time for us and the United States to retune the rhythm of the policy toward North Korea.

ROK: 'Realistic' Academic Exchanges With DPRK Urged

*SK1007013196 (Internet) The Digital Chosun Ilbo
WWW in English 1157 GMT 9 Jul 96*

[Editorial: "University Presidents Hooked On North"]

[FBIS Transcribed Text] Now even university presidents air their intentions to meet North counterparts. They explain their stance by asserting that it is easier to effect exchange between North and South at the education level than it is in the political and social spheres and that their efforts will assist in easing tensions between the two states.

The assertions of the presidents seem plausible when one considers the numbers of entities in society, including many university students, wishing eagerly to make contact with the North. It must be queried, however, exactly how seriously the presidents have looked into the actual state of North-South relations and the feasibility of their envisaged exchanges. We hope that they are not motivated by the fear of missing the bus carrying those members of society eager to be amongst the first to engage in North dialogue.

Currently exchanges between the two nations are limited to the entry of a very limited number of South businesses into the North to meet the urgent needs of the light-water reactor project and North industrial complexes. Interchange in the social and political fields remains completely closed and any contrary suggestion smells of propaganda. It should be remembered too that the hopeful family re-unite program failed and only served to assist the propaganda purposes of the North.

In this situation the effecting of talks between university heads would be not yield a productive result. The heads of North universities are merely puppet loyalists of the Kims' regimes whereas our heads are critical intellectuals. It would therefore be implausible to presume that the two groups could engage in meaningful dialogue.

If there is to be an educational exchange then the process should commence with actual practical academic exchanges. If talks could be identified such that joint investigation and research by experts in the relevant fields from both the North and the South could lead to productive academic findings then co-operation and exchange may be warranted. For example, joint consideration by universities of the early history and culture associated with the Three Kingdom Period or joint investigation by professors and scholars of ecology into the biological mapping of the Korean peninsula may be worthwhile

tasks and add to the world's body of valuable academic knowledge.

Worthwhile results will come from small but realistic, practical academic exchanges. Grandiose meetings of university presidents of the two sides will only fuel the North propaganda machine and impede the opportunity to relieve tensions in the peninsula. The university heads should therefore step back and pledge their support and assistance to professors and academics who may be in the position to engage in fruitful academic exchanges with their North counterparts.

ROK: Report on DPRK Beautician's Defection Cited

SK1007065996 Seoul YONHAP in English
0603 GMT 10 Jul 96

[FBIS Transcribed Text] Seoul, July 10 (YONHAP) — The following is the gist of the TONG-A ILBO's story of a North Korean beautician's life-or-death escape from her stalinist country. Two of the newspaper's reporters traveled with Chong Sun-yong, 37, and her son, 15, and daughter, 9, for 10 days last month in an unnamed "third" country on their month-long desperate journey to freedom.

"On May 15, Chong was issued a travel permit for Chongjin from the Tonchon County Public Security (Police) Office, as she applied for a permit to visit a relative in Chongjin to feed the hungry children there and to get food for her family back home in the summer. She needed a permit to travel to Hyesan, a city on the Chinese border, to defect to South Korea via China, but she applied for a travel permit for Chongjin because if she had said she was going to Hyesan the Public Security Office would have suspected her purpose for traveling.

Today North Korean people almost have the freedom to travel, since a travel permit is issued to anybody if the purpose of travel is to get food.

On May 21, Chong and her two children, stood on the road linking Tongchon with Wonsan, waving a pack of cigarettes and a bottle of corn wine to a passing truck. It paid off. Bus service to Wonsan has been long suspended.

In Wonsan, she roamed about the railway station for four days, looking for a kind-looking man among some 10 station officials. At last on the final day of roaming, she found the man and approached him. "May I ask a favor of you? I've got a permit for Chongjin, but I think I should go to Yanggang Province (Hyesan is its capital), rather than to North Hamgyong (Chongjin is

its capital) to get food, so would you please get me a ticket for Hyesan?"

The man didn't say anything, inclining his head a little. Then she immediately put 1,000 won into his pocket, which caused him to smile and tell her to come at 2:00 PM the next day. In North Korea, 1,000 won is a lot of money, it amounts to 20 months' wages for an ordinary worker.

She stayed in a house near the railway station and prepared two kilograms of rice that she and her children would eat during the train travel to Hyesan, and gave two bowls of rice to the house for rent.

At 2:00 PM the following day, the station worker gave her three tickets for Hyesan, as promised, saying, "The ticket seller took 500 won and I took the other 500 won. Don't say anything about this to anybody, please."

The train from Haeju, Hwanghae Province, to Hyesan was crowded with people looking for food and copper smugglers. It was so crowded that many people who wanted to get off at Wonsan couldn't get off the train at the Wonsan Station.

The station worker who took her money, after running back and forth along the train, told her that the conductor agreed to let her and her children on the train on condition that she give him and his assistants meals during the trip. She and the children got on the train, with the station worker pushing them and the conductor pulling.

Many other people could not get on the train at the Wonsan Station.

The train took two days to get to Hyesan, she couldn't eat during the trip because she had to give the conductor and his assistants the food she had prepared. But her son and daughter ate a little.

Four stations before Hyesan, a public security man in a green uniform got on the train and began to check passengers' travel permits. She found that about a half of the passengers didn't have a permit and they began walking back and forth in the aisle of the coach and many climbed on the roof when the permit check began.

The green-uniformed man took copper away from many passengers, even from inside the clothes of crying babies. Many travelers to Hyesan carried copper with them, hoping that they could trade it for food or clothes at the Chinese border.

After arriving in Hyesan, she went to the Amnok (Yalu) River bordering China and saw a village of ethnic Koreans across the river which is 20 meters wide at the narrowest bend.

She did her washing in the river during the day and watched the patrolmen walking back and forth along the riverbank from behind a bush not far from the river at night. She and her children slept in a park. She spent a week in Hyesan.

After discovering that the border patrolmen return to their quarters at 11:00 at night, she decided to cross the river around 11:00 on the night of June 4.

After reaching the river via a lane next to the border patrolmen's quarters, she began crossing the river while carrying the bag of food on her head. Her son Chol, carried his younger sister Yong-mi on his shoulders. Both the mother and the son are good swimmers.

The river was so deep in the middle that the mother and the son had to swim. She heard Yong-mi swallowing water, and shouted to her, "Hold on to Chol's head for a few more seconds, please, will you?"

When they reached the other side of the river safely, Yong-mi's fingers did not unfold because she gripped Chol's hairs so hard. The mother gave the daughter artificial respiration the way she had been taught and the daughter began vomiting water.

ROK: Prime Minister Expects No 'Sudden Change' in DPRK

SK1607125396 Seoul YONHAP in English
1245 GMT 16 Jul 96

[FBIS Transcribed Text] Seoul, July 16 (YONHAP) — Prime Minister Yi Su-song said Tuesday the government, taking into consideration the possibility that national reunification will come abruptly, is preparing for all possibilities.

Answering questions of lawmakers in the second day of the parliamentary interpellation session, Yi added that a crisis management program is being prepared by related agencies for any unexpected change in North Korea.

But he added that the communist North would not undergo any sudden change because of its tightly closed-door policy and strong grip on the people.

To prepare for an early collapse of North Korea and the resulting reunification, constitutional revision might be necessary, but the government has not studied a plan to revise the basic law at this point of time, he remarked.

National Unification Minister Kwon O-ki said the 1994 agreement with North Korea on inter-Korean summit talks is still valid, adding because it was North Korea that postponed the summit indefinitely on the ground of Kim Il-song's death, North Korea should first take action to hold the summit.

He promised to consult with the National Assembly as much as possible in pursuing North Korea policy, such as rice aid, in the future.

Asked about international cooperation in food aid to North Korea, Kwon said it should be prudently dealt with in view of the North's passive position on the four-nation meeting proposal and the national feeling about such an aid in the south.

The government, recognizing the North Korean defectors roaming about in Russia and China as citizens of the Republic of Korea, is making a variety of efforts to bring them safely to the south.

Foreign Minister Kong No-myong disclosed that negotiations are under way with Taiwan to reopen air routes between the two countries.

He said Hong Kong, Singapore, China, Taiwan and Thailand are the five major countries with which South Korea registers a trade surplus.

To have North Korea sign the world chemical weapons convention, South Korea should first subscribe to it, the foreign minister said, adding the government is maintaining close cooperation with the U.S. Government in this matter.

Defense Minister Yi Yang-ho said an inter-Korean military hot line would be laid when inter-Korean relations are truly based on mutual respect and trust.

ROK: DPRK's Kim Chong-u in Tokyo To Hold Investment Seminar

SK1407091496 Seoul KBS-1 Radio Network
in Korean 0800 GMT 14 Jul 96

[FBIS Translated Text] Kim Chong-u, chairman of the DPRK Committee for the Promotion of External Economic Cooperation, and his entourage arrived in Tokyo this afternoon to hold an investment seminar on the Najin-Sonbong Free Trade Zone.

When meeting with reporters at Narita Airport, Chairman Kim Chong-u was asked whether it was true that North Korea will allow officials of ROK businesses who will participate in the Najin-Sonbong investment seminar sometime in mid-September to enter this region without a visa, he answered yes. However, he avoided making any comments at all about pending issues, including North Korea's food shortage.

ROK: DPRK's Kim Chong-u Urges Japanese Firms To Invest

SK1607053596 Seoul YONHAP in English
0054 GMT 16 Jul 96

[FBIS Transcribed Text] Tokyo, July 16 (YONHAP) — An aide to North Korean leader Kim Chong-il called on Japanese corporations Monday to invest in North Korea's Najin-Sonbong Free Economy and Trade Zone even before diplomatic relations are normalized between the two countries.

Kim Chong-u, chairman, Committee for the Promotion of External Economic Cooperation, spoke at a seminar here promoting investment in the economic zone in the northeastern part of North Korea, near its border with Russia and China.

"Foreign corporations investing in the Najin-Sonbong zone will be free to manage their projects, whether capitalist or socialist in nature, so long as it is legal," Kim said.

The senior North Korean official, son of the late leader Kim Il-song's sister, is heading a mission to publicize the economic zone to Japanese investors.

The Najin-Sonbong free economy and trade zone administration will be given a free hand by the central government with respect to leasing land, finances and management, he said.

"North Korea adopted a trade-first economic policy in 1993, under which the Najin-Sonbong zone was made the key point of exports and technological exchange based on market economy structure," Kim said.

Such reforms, however, are only allowed in the Najin-Sonbong zone, which is separate from the rest of the country, Kim added.

Kim acknowledged that a lack of experience, manpower and financing as factors impeding the development of the free economic zone, [as received] but added, "these problems are temporary. We are capable of overcoming them and are surmounting them."

On North Korea's relations with the United States, in his 40-minute talk, Kim said, "I would like to re-emphasize here that prospects are brighter now than ever before for improved Pyongyang-Washington relations."

Pointing out that despite closeness in geography and history, relations have not yet been normalized between North Korea and Japan, Kim said, "North Korea has maintained a stance that economic exchange between the two countries should be expanded and developed even before the normalization of diplomatic relations."

Approximately 150 Japanese and South Korean businessmen and reporters attended the seminar.

Kim Il-song University Prof. Kim Su-yong, a member of the mission, disclosed that 49 investment contracts in the Najin-Sonbong area worth 350 million U.S. dollars have been "all but completed."

The issue of businessmen and officials from third countries entering the Najin-Sonbong Zone through Hunchun, China is scheduled to be resolved with Chinese authorities by mid-August, the professor added.

The North Korean mission is scheduled to hold similar seminars in Niigata Wednesday, Toyama Friday and Osaka Monday. The mission is to leave for Hong Kong July 26.

ROK: 'Source': PRC Revives 'Friendly Prices' for DPRK

OW1507134696 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 13 Jul 96 Morning Edition p 6

[By reporter Ichiro Ishikawa]

[FBIS Translated Text] Seoul, 12 Jul — China seems to have revived "friendly prices" for the DPRK (North Korea), which were abolished in the early nineties. According to an informed source in Seoul, China has incorporated assistant programs for the DPRK in the Ninth Five-Year Plan to be implemented from 1996-2000, and it will provide North Korea with goods at "friendly prices," which are lower than international prices. China's resumption of "friendly prices," which is a sort of assistance, indicates that it has launched full economic support for the DPRK out of its concern about rapid collapse of North Korea's regime.

China and the DPRK agreed on several assistance programs when DPRK Vice Premier Hong Song-nam visited China last May. At that time, it was announced that China agreed to provide North Korea with 20,000 tons of grain. In addition, they reached a technical cooperation accord, though details of this accord were not made public.

Moreover, during his visit to the DPRK in June, Shi Guangsheng, Chinese vice foreign trade and economic cooperation minister, exchanged with the DPRK notes on fiscal 1996 trade and economic cooperation program, and signed them. At the same time, representatives of Chinese and North Korean companies signed a contract on the supply of crude oil and coke for the DPRK, and it is believed that food and coke have been already provided to it.

Although details of those treaties have not been made public, it was long rumored in Seoul that China has

promised the DPRK support under the Ninth Five-Year Plan.

During the Cold War, China and the former USSR provided the DPRK with crude oil and food at "friendly prices," which were lower than international market prices. However, with the collapse of the Cold War structure, they changed their policy and began trading goods at international prices, worsening the DPRK's economic situation further.

According to the South Korean Bank's estimate, the DPRK's foreign debts amount to \$11.8 billion as of the end of 1995, standing at 53 percent of GNP. Under such circumstances, its international credibility is extremely poor. In addition, if international prices are not lifted, it will be able to purchase only a limited volume of goods due to a critical shortage of foreign currencies.

China's revival of the friendly prices means that it has begun providing full support to North Korea. Although scale of trading is not clarified, it is believed that China will provide the DPRK with over 10,000 tons of food annually. One analysis says that the bilateral relationship has improved thanks to China's economic assistance.

ROK Firm Plans To Export Steel Products to PRC Via DPRK

SK0807041296 Seoul YONHAP in English
0040 GMT 8 Jul 96

[FBIS Transcribed Text] Seoul, July 8 (YONHAP) — South Korean products will first be exported to China through a North Korean port.

Han Po Steel & General Construction Co. Ltd. announced Monday that it is exporting 10,000 tons of hot-rolled coils and 2,000 tons of reinforcement bars to Yanji, China through Najin Port of North Korea in four batches beginning July 25 to October.

It will be the first time South Korean products have been shipped to a third country by land through North Korea instead of a direct shipment by open seas.

That transportation formula is expected to have a considerable effect on the shipment of goods and investments in northern China and Russia's maritime province, business sources said.

Han Po Steel is scheduled to load the first shipment July 25 at its own wharf in Asan Bay on the west coast. The reinforcement bars are produced by its Pusan Steel Mill and the hot-rolled coils at its Tangjin Steel Mill.

Once land transportation through the North is invigorated, the formula is expected to result in substantial distribution cost savings and pave the way for opening

South-North trade flow through Najin Port, according to the sources.

Han Po shipped 25,000 tons of hot-rolled coils to China by sea during the first half of the year. The upcoming steel products are for a piped water construction project undertaken by the China National Export Bases Development Corp.

Taking advantage of land transportation through the North, the firm plans to export 20,000 tons of steel products to China per month by the latter half of the year.

ROK: Kim Yong-sam Sends Message to Jiang Zemin Over Floods

SK0607084196 Seoul YONHAP in English
0808 GMT 6 Jul 96

[FBIS Transcribed Text] Seoul, July 6 (YONHAP) — President Kim Yong-sam sent Chinese President Jiang Zemin Saturday a telegram of sympathy over the losses of lives and property in the floods that swept six provinces of China.

In the telegram, Kim also expressed hope that the flood victims will recover from the damage as soon as possible.

ROK: Cambodia's Hun Sen Discusses ROK-Cambodia Relations

SK1607051496 Seoul YONHAP in English
0441 GMT 16 Jul 96

[FBIS Transcribed Text] Seoul, July 16 (YONHAP) — Cambodian Second Prime Minister Hun Sen said Tuesday that the establishment of full-fledged diplomatic ties between his nation and South Korea was only "a matter of time."

Though both countries have agreed to exchange missions, the official expressed his regret that formal ties had yet to be formed, saying it was "not fair" to South Korea.

"This level (missions) is better than no relationship at all," he told the reporters at the Shilla Hotel in downtown Seoul.

He pointed out that the purpose of his trip was to strengthen political relations, to induce investment and economic and technical assistance from South Korea and to learn more about the Korean development experience for the benefit of Cambodia.

As to his talks with President Kim, Hun Sen said that they did not discuss the security issue on the Korean

peninsula: Instead, they focused only on strengthening ties between their two nations.

The reestablishment of Seoul-Phnom Penh ties will have no effect on Cambodia's relationship with North Korea, he added.

Cambodia invites Korean participation in the development project for the greater Mekong subregion as well as investments in agriculture, infrastructure, communications, transportation, processing, construction and the light industry, he added.

"Korea is a strong country in terms of economy and technology. It also has good relations with Southeast Asian countries."

The official also stressed the need to establish mutual trust after a 21-year absence of bilateral relations. His visit was a first for a high-ranking Phnom Penh official since diplomatic ties were severed after the communist takeover of Cambodia in 1975.

King Norodom Sihanouk of Cambodia was reportedly reluctant to establish Seoul-Phnom Penh ties in light of his close friendship with the late North Korean leader, Kim Il-sung.

Hun Sen confirmed, however, that the king did not object to establishing such ties as it was the common interest of the Cambodian people.

Both President Kim Yong-sam and Prime Minister Yi Su-song agreed to establish mission-level ties for the time being, he indicated, with the missions to enjoy full privileges and immunities accorded to foreign embassies.

ROK: Kim Yong-sam Meets Paraguayan President Wasmosy

SK0907031696 Seoul YONHAP in English
0220 GMT 9 Jul 96

[FBIS Transcribed Text] Seoul, July 9 (YONHAP) — President Kim Yong-sam and his Paraguayan counterpart Juan Carlos Wasmosy held a summit conference Tuesday at Chongwadae [presidential offices] and exchanged views on common interests to increase bilateral cooperative relations.

They expressed satisfaction over the expanded economic cooperation between the two countries and agreed to actively seek ways to further increase bilateral trade and investment.

Trade between the two countries has tripled in the past five years.

Sharing the view that the bilateral economic cooperative projects will greatly contribute to the social and eco-

nomie development of Paraguay, both leaders agreed to make common efforts for the growth of basic industries in the South American country.

President Kim asked that Paraguay take an active and cooperative role in increasing practical economic ties between South Korea and the Central and South American region, which are growing rapidly as a newly industrializing bloc in the world's economy.

For his part, President Wasmosy affirmatively evaluated Seoul's efforts to increase relations with the Central and South American countries and promised that Paraguay, the chair country of the Rio Group next year, will render active support for Seoul's efforts.

Wasmosy in particular gave a high appraisal for South Korean government's endeavor to bring peace to the Korean peninsula and expressed the Azuncion government's support for the four-party talks proposed by South Korea and the United States for a peace regime on the Korean peninsula.

The Paraguayan president, congratulating South Korea and Japan for being chosen to co-host the 2002 World Cup finals, and pledged to support the world's biggest soccer event to make sure it is successful.

After the summit conference, the two leaders were present at a ceremony at Chongwadae [presidential offices], where the foreign ministers of both countries signed an agreement for South Korea to provide an Economic Development Cooperation Fund (EDCF) loan to Paraguay.

The two countries will also sign extradition and youth volunteer exchange agreements.

ROK, Paraguay Sign Treaties on Extradition, EDCF, Youth

SK0907093496 Seoul YONHAP in English
0905 GMT 9 Jul 96

[FBIS Transcribed Text] Seoul, July 9 (YONHAP) — South Korea and Paraguay Tuesday signed the agreements on extradition, exchange of youth volunteers and South Korea's provision of Economic Development Cooperation Fund (EDCF) loan to the South American state.

Foreign Minister Kong No-myong and his Paraguayan counterpart Melgarejo signed the agreements at the Foreign Ministry. Melgarejo accompanied Paraguayan President Juan Carlos Wasmosy who came to Seoul Monday for a summit meeting with President Kim Yong-sam.

The loan agreement stipulates South Korea provide an unspecified amount of EDCF loan to Paraguay for

projects to be undertaken by organizations designated by the Paraguayan Government.

The extradition treaty calls for each country to hand over to the other country those who committed crimes punishable by both countries. The crimes should fall into the category of the sentence subjected to one year or above.

The agreement on the dispatch of youth volunteers to Paraguay calls for Korean International Cooperation Agency (KOICA) to dispatch youth volunteers to Paraguay while the Paraguayan Government provide the volunteers with privileges in tax and other fields.

ROK: LG To Open Largest Overseas Electronics Plant in Britain

SK1007085296 Seoul YONHAP in English
0738 GMT 10 Jul 96

[FBIS Transcribed Text] Seoul, July 10 (YONHAP) — The LG Group of South Korea announced Wednesday that its flagship companies LG Electronics (LGE) and LG Semicon (LGS) will build a grand electronics and semiconductor complex in Newport, South Wales, Britain, by the year 2002 with a total investment of 2.6 billion U.S. dollars.

The LG investment is the single largest overseas venture in Europe by a Korean company.

An LG spokesman said that there was a signing ceremony for the gigantic project at Lotte Hotel in downtown Seoul Wednesday morning, attended by LG Semicon Vice Chairman Chong Hwan-mun, LG Electronics President John Koo and Secretary of State for Wales William Hague.

British Prime Minister John Major also announced the LG investment in the afternoon in London after having a video-teleconference with the LG Electronics head to discuss the project, according to the spokesman.

Of the total 25.9 billion dollar project, which will hire 6,100 employees, LG Semicon will put up 1.9 billion dollars, and LG Electronics 609 million dollars.

LG Electronics will initially invest 350 million dollars to build a plant in Newport's Imperial Park by 1997, which will churn out 2 million monitors, 3 million color picture tubes (CPTs) and color display tubes (CDTs), 3 million deflection yokes (DYs) and 3 million fly back transformers (FBTs) annually.

The electronics maker will double production by 2002 by investing the remaining 340 million dollars in an additional production facility near the original plant.

LG Semicon will also construct a semiconductor manufacturing plant with a production capacity of 3.6 million 8-inch wafers beginning in 1998.

In particular, the chip maker plans to produce the next-generation semiconductors, which will connect memory with Application Specific Integrated Circuit (ASIC), the spokesman said, adding that the future products will be used in home appliances and in a multimedia environment to control all types of information and communication systems.

Koo said, "LG's 25.9 billion dollar investment will establish an integrated manufacturing complex in new port that will maximize economies of scale and further equip LG to become the market leader in electronics and semiconductors. LG Electronics will install a network connecting the new plant with LG Electronics North of England, our TV and microwave oven complex in new castle, and LGE design-tech, our design center in Ireland.

"Synergistic effects will be maximized through a vertical integration system of TVs and monitors, and in the areas of sales, service and human resources. We regard this project as part of the foundation for becoming a world leader in the CPT/CDT field and to be ranked among the top five international semiconductor enterprises," he continued.

The spokesman added that groundbreaking and legal incorporation of the Newport plant will take place in October of this year.

ROK's Entry Into OECD 'Virtually Assured'

SK0807044696 (Internet) The Joong-Ang Ilbo WWW
in English 8 Jul 96

[FBIS Transcribed Text] Korea's entry into the Organization of Economic Cooperation and Development (OECD) within the year has been virtually assured. This is because Korea successfully concluded negotiations with OECD committees on capital movement and international investment early last Friday (local time) in Paris. These negotiations had been the final hurdle in Korea's bid to join the OECD. With their conclusion, Korea has completed all the inspection procedures by 11 committees which are necessary to join OECD, 1 year and 4 months after submitting an application in March of last year.

OECD's board of directors is expected to invite Korea to join the organization in September of this year. After ratification by the National Assembly, Korea should become the 29th member of the OECD within the year.

**ROK: AmCham Korea Concerned About
'Anticonsumption Campaigns'**

SK1307011696 Seoul THE KOREA TIMES in English
13 Jul 96 p 1

[Report by staff reporter Yi Chang-sop]

[FBIS Transcribed Text] The American Chamber of Commerce in Korea (AmCham Korea) has expressed concern about the recent anti-consumption campaigns that have been directed toward foreign products and overseas travel.

AmCham President George Williams said in a statement, "As Korea prepares for entry into the Organization for Economic Cooperation and Development and seeks to attract foreign direct investment, special interest groups are reportedly intensifying another anti-import drive targeting foreign goods."

He said although these campaigns against foreign products are not officially supported by the government, they are still disturbing at a time when Korea is seeking a more advanced status in the world economic arena and needs more foreign investment in order to acquire the latest technology needed to keep Korea competitive.

Williams, however, noted with satisfaction the Ministry of Finance and Economy's prompt response to AmCham's complaints, asking other government ministries and organizations to refrain from anti-import drives.

He also recalled Deputy Premier and Finance-Economy Minister Na Ung-pae's repeated statement that any attempt to control imports is of no help in reducing the trade deficit.

He said some economists predict a widening trade deficit and an economic growth rate of slightly less than the originally predicted 7.4 percent, which does not indicate an economic crisis.

The current economic situation closely reflects a natural period of transition and adjustment from a closed export-oriented system to a more open and accessible market that is experiencing some growing pains. In the long run, this will produce a stronger economy, more competitive business sector and better choices for the Korean consumers, he said:

AmCham feels the deficit problem is really the result of a "structural problem" where exporters are required to depend on imports for their exports. Additionally, the decline of international competitiveness resulting from delayed technology transfers has been the major reason for the rising deficit.

The chamber said the Korean people have had to pay the price for a closed market environment by subsidizing

cheap products abroad while paying higher prices for lower quality goods at home.

As Korea has improved its economic status, so has the Korean consumer, adding that now is the time for the Korean consumer to have the right to make choices between locally produced goods and foreign made products, it said. If foreign made products cannot compete with locally produced goods in terms of quality and price, the consumer will certainly make that determination at the cash register, it said.

Additionally, if local producers cannot compete, it said then they must improve or will soon be eliminated. But the Korean consumer will be the real winner in the long run.

**ROK Business Conglomerates Plan To Increase
Overseas Investments**

SK1307020796 Seoul YONHAP in English
0154 GMT 13 Jul 96

[FBIS Transcribed Text] Seoul, July 13 (YONHAP) — Major South Korean conglomerates will concentrate their future overseas investments on large-scale business projects in heavy and chemical industries such as automobiles, steel, oil refineries, and LNG (liquefied natural gas), which need more than 500 million U.S. dollar investment per project.

The Korea Institute of Economics and Technology (KIET), in its study of the investment plans of South Korea's five major business groups for the next 10 years, predicts that overseas investment by these groups will total 60 billion dollars by 2005.

LG Group has already signed a deal to invest 2.59 billion dollars in an electronics industrial complex in Britain, which will probably be followed by other large conglomerates, including Daewoo Group, Pohang Iron and Steel Co., and Ssangyong Group.

LG signed an investment agreement Wednesday at the Lotte Hotel in Seoul that involves a 990,000 square meter electronic industrial complex in Newport, Wales. The complex will produce semiconductor chips, monitors, braun tubes, and TVs. William Hague, secretary of state for Wales, signed for Britain, and Mun Chong-hwan, vice chairman of LG Semiconductor Co., signed for LG Group in a ceremony.

LG's semiconductor plant will produce 30,000 8-inch wafers a month by 1999, and total sales are expected to reach 1 billion dollars by 2000.

POSCO, meanwhile, signed an agreement with an Indonesian partner July 3 to invest 500 million dollars in a joint-venture steel products plant in Jakarta. The

plant, designed to produce a million ton of hot rolled steel in the first stage, will be completed in 1999, and the second stage of the joint-venture will add another one million tons to production.

The Daewoo Group has been looking into the possibility of taking over a 50 percent stake in a Ukrainian auto firm. The group plans to invest 300 million dollars in the auto plant to increase its annual production to 300,000 autos when Daewoo's deal is completed.

Daewoo has also been looking for ways to participate in an LNG exploration and development project in Canada, which involves pipeline construction and an investment of 1 billion dollars.

ROK: Illegal Foreign Workers Exceed 100,000 as of Jun

SK0807044796 (Internet) The Digital Chosun Ilbo
WWW in English 1153 GMT 7 Jul 96

[FBIS Transcribed Text] According to the Ministry of Labor and the Immigration Office, as of end of May, foreign laborers totalled 167,563. Among them, 100,148, 60% of total, are illegal workers. Foreign laborers increased 68% last year and illegal workers 63% in the same period. The Ministry of Labor forecast that foreign laborers will exceed 200 thousand by the end of this year, since 30 thousand industrial trainees will be introduced. As of end of May, among legal foreign workers, 10,371 are laborers, and 57,044 are industrial trainees.

ROK: Parties Name Chairmen for National Assembly Committees

SK0607091696 Seoul YONHAP in English
0844 GMT 6 Jul 96

[FBIS Transcribed Text] Seoul, July 6 (YONHAP) — The ruling New Korea Party (NKP) and the opposition National Congress for New Politics (NCNP) and United Liberal Democrats (ULD) have named chairpersons of the National Assembly committees as follows:

Steering - So Chong-won (NKP), legislation-judiciary - Kang Chae-sop (NKP), administration - Kim In-kon (NCNP), finance-economy - Hwang Pyong-tae (NKP), unification-foreign - Pak Kwan-yong (NKP), home - Yi Taek-sok (NKP), defense - Kim Yong-ku (NKP), education - Kim Hyon-uk (ULD), culture-sports-information - Yi Se-ki (NKP), agriculture-forestry-fisheries - Kim Tae-sik (NCNP), trade-industry- energy - Son Se-il (NCNP), telecommunications-science-technology - Kang Chang-hui (ULD), environment-labor - Yi Kung-kyu (ULD), health- welfare - Sin Ki-ha (NCNP), construction-transportation - Paek Nam-chi (NKP), in-

telligence - Kim Chong-ho (NKP), ethics - Pyon Chong-il (NKP), and women - Sin Nak-kyun (NCNP).

They will be formally elected in the plenary meeting slated for Monday.

ROK: Premier Yi Addresses Assembly on State Administration

SK0907052296 Seoul YONHAP in English
0242 GMT 9 Jul 96

[FBIS Transcribed Text] Seoul, July 9 (YONHAP) — Prime Minister Yi Su-song, expressing confidence in overcoming the current economic difficulties, said Tuesday that the administration will place priority on securing price stability and reducing the balance of payments deficit.

"Some businesses and citizens are concerned about the recent economic situation. In view of our past experience and capabilities, however, we are fully capable of overcoming the difficulties," Yi said, adding, "the administration's economic policy for the latter half of the year will focus on price stability and curing structural factors that have created a shortfall in the balance of international payments."

The prime minister was addressing a National Assembly plenary session on the status of state administration.

The government will exert itself to keep inflation below the original target of 4.5 percent for the year, Yi pledged.

"Deregulation will be actively pursued rather than short-term steps designed to treat symptoms to rectify the high cost structure involving wages, interest rates and land prices and readjusting the industrial structure through enhanced competition," Yi said.

Systems and practices in the labor market will be reformed, he went on, conditions conducive to lowering interest rates will be created through fostered competition, expanded scale and specialization of banking and financial institutions. He said that the transparency will be elevated in economic laws and regulations, and elements of waste in government spending will be curtailed.

Yi called upon businesses to make management more transparent and establish an order of fair competition.

On North Korea, Yi said, "We understand that the North is experiencing hardships from internal difficulties and that their food shortages are serious...once the proposed four-way peace talks take place, we should be able to discuss in detail an earnest government-level support effort to the North and inter-Korean economic cooperation."

Expressing determination to solve the water problem, Yi said, "The administration is determined to sternly deal with acts contaminating piped water sources. And effective water management formulas, designed to secure water resources and improve water quality will be established and implemented."

As to the elimination of corruption on the part of civil servants, Yi mentioned a reinforced crackdown and preventive measures through the institutional reform of elements inviting irregularities.

ROK: NKP Chairman Says Reform Top Task for National Assembly

SK1007035296 Seoul YONHAP in English
0240 GMT 10 Jul 96

[FBIS Transcribed Text] Seoul, July 10 (YONHAP) — Chairman Yi Hong-ku of the ruling New Korea Party stressed Tuesday that political reforms are the paramount task facing the 15th National Assembly.

In a speech outlining the ruling party's policies at a plenary meeting of the new parliament, Yi also called on the lawmakers to get rid of outdated political conduct and practices and lay a foundation for new politics.

To this end, he stressed that parliament should do away with the notorious scuffles between the ruling and opposition parties on the floor, exercise patience in dealing with hard issues, make all floor rules transparent so that they will be abided by all, and perform responsible politics.

Looking back on the April general elections, Yi said provincialism is the obstacle "We must get over with on the path to new politics."

"The era of authoritarianism has gone, but the evil practices of regionalism have deepened further," Yi pointed out. "To cure such a disease, the National Assembly should be at the forefront with the participation of the people."

He said the people harbor unlimited expectations that the "potential of new politics" will be displayed by the 15th National Assembly.

Terming the incumbent parliament as one which will "choose the future of the single community of 75 million Korean people," Yi suggested that the future of the single Korean community in the 21st century would have to be oriented toward an advanced welfare society where human beings and the environment are valued.

The NKP chairman insisted that strengthening national competitiveness and the improvement of the quality of people's lives are essential to achieve the unified advancement of Korea in the coming century.

Yi then asked the government to take drastic measures to reinforce national competitiveness, such as financial reform to reduce the burden of interest, the effort to lessen the cost of land, intensive investment in social overhead capital, and the expansion of information bases.

Pointing out the issue of government productivity, Yi warned against the evil effects of "egoism of ministries" that results in confusion about government policies and retards the government's reform drive.

He said the ruling party will soon inaugurate a deregulation planning corps to systematically study ways for administrative deregulation for the convenience of the people and businesses.

ROK: NKP Decides Not To Nominate Candidates in By-Elections

SK1107082696 Seoul YONHAP in English
0646 GMT 11 Jul 96

[FBIS Transcribed Text] Seoul, July 11 (YONHAP) — The ruling New Korea Party (NKP) has decided not to nominate candidates in by-elections to be held in Nowon-ku of Seoul, Chonju of North Cholla Province and Yochon-kun of South Cholla Province to choose new heads of local governments.

The posts for the three local government chiefs have been left vacant after the incumbents were recently convicted of election law violations.

The NKP will also move forward with its plan to exclude political parties from the elections at the basic (lowest)-level local government heads, such as ward heads in metropolitan cities and county chiefs in provinces, when parliament forms a special committee for improving election and parliamentary systems.

NKP Secretary-General Kang Sam-chaе said Thursday that it would be proper for political parties to refrain from competing in future local by-elections, as the NKP decided not to nominate its candidates for the by-elections of Chonju mayor and Yochon County head.

"It's desirable to exclude political parties from lowest-level local elections, and this is my party's unswerving position," he explained.

When the issue of election law revision is on the agenda for the projected special parliamentary committee for improving election and parliamentary systems, the NKP will call for the exclusion of political parties from the lowest-level local government elections, he said.

The election law revision is a matter of negotiations with the opposition parties, and how this issue will be dealt with depends on the negotiations, he added.

But the main opposition National Congress for New Politics (NCNP) is opposed to the idea.

NCNP spokesman Chong Tong-yong said prohibiting political parties from nominating their candidates for local government elections by law is tantamount to denouncing party politics.

Participation in such elections is a matter that should be left to each party's decision, he added.

The ruling party has come up with the plan because it is not confident of winning the by-elections, he claimed.

The NCNP will nominate its candidate in Nowon-ku by-election, he said.

ROK: NKP Recruitment of non-NKP Lawmakers Viewed

SK1607043596 Seoul THE KOREA TIMES in English
16 Jul 96 p 1

[Article by "CUB": "Pres. Kim Only Stoked Sputtering Fire of 2 Kims"]

[FBIS Transcribed Text] President Kim Yong-sam may well feel that he was given a hard time by the unexpectedly strong alliance between the two Kims — Kim Tae-chung of the National Congress for New Politics and Kim Chong-pil of the United Liberal Democrats.

However, President Kim has none but himself to blame. A problem of his own making, it resulted from his hasty decision to have his way in the Assembly by forging a floor majority by recruiting independent and opposition lawmakers-elect.

The April 11 elections ended in a handsome victory for the ruling New Korea Party led by President Kim even though the party failed to attain a floor majority.

Out of the 299 seats up for grabs when the 46 proportional seats are included, the ruling NKP won 139 while the NCNP took 79, the ULD 50 and the Democratic Party and independents the remainder.

The major opposition party, the NCNP, ended in bad shape and an in-house dispute over who was responsible for the poor showing did not help. For NCNP leader Kim, it was a serious blow to his fourth bid for the presidency next year.

For the second largest opposition party, the ULD, the situation was not any better although it fared better than expected in the elections. This is because the lawmakers hailing from Kyongsang-pukto and Taegu were restive under the leadership of party leader Kim.

With the opposition parties in disarray, there was no reason for President Kim to go the extra mile to recruit

independent and opposition lawmakers-elect to make up the shortage and attain a floor majority.

Although the recruitment may not have been illegal, it was morally wrong. What was expected of President Kim was flawless morality, not lawful action devoid of morality.

The unethical recruitment gave the two Kims a good weapon to escape their political predicament. Joining hands, the two Kims mounted a strong political offensive, pressing President Kim hard on the unethicity of the recruitment, which they vilified as an outright negation of the mandate of the people expressed in the April elections.

Holding the inauguration of the new Assembly hostage for a full month, the two Kims succeeded in wrenching an important concession from the ruling camp in the form of two special House panels — one to provide legal and institutional devices to ensure the neutrality of prosecution and police from presidential influence, and the other to look into conspicuous frauds in some electoral districts in the April elections.

The month-long political dispute only added to the strength of the two septuagenarian Kims, whom President Kim wants to push overboard to allow the rise of a new generation.

The two Kims are elated now. Their alliance on the floor worked marvelously, sending the strong message to President Kim that he cannot run politics alone just any way he wants.

This was well illustrated in the keynote speech of ULD leader Kim on the floor in which he warned he will exert strong efforts to flunk President Kim if he does not make good on the agreement reached for the normalization of the House.

Then he went one step further, demanding an early adoption of the Cabinet system in place of the present presidential system, adding, "the sooner, the better."

Such a demand well shows his increased confidence. Early this year, his call for the Cabinet system did not go beyond the realms of his political conviction. But now, he audaciously demands President Kim's determination, and at an early date.

Meantime, Kim of the NCNP may well feel relieved that in-house bickering about the fiasco in the April elections is over. Now, he is preparing for the presidential election on the strength of what his party gained in the joint offensive against President Kim.

On balance, President Kim earned little by achieving a floor majority. He only showed the public that the two Kims can make a difference.

As a result, he has to meet the two Kims separately on Thursday and Friday, seeking their cooperation. President Kim needs the meeting more than the two Kims. The reaction of the two Kims was not enthusiastic.

Even without a majority, there would have been no serious difficulties for President Kim. This is because most of the independent lawmakers are more amenable to ruling camp than opposition.

President Kim may have been attempting to stifle the two Kims by achieving a floor majority. But this is not what happened.

With the recruitment, President Kim only stoked the sputtering fire of the two Kims. Now, he has to reckon with the two Kims managing state affairs.

In the upcoming talks with President Kim, the two Kims will refuse to be mere listeners. Rather, they will try to lecture him.

No doubt, the three Kims are political opponents, but they have led Korean political activity for the past three decades.

In the process, a sort of camaraderie has been forged. For this reason, ULD leader Kim may be thinking that President Kim can be pushed to do something together to ensure the survival of all three Kims against the threats posed by the rising generation.

In this vein, ULD leader Kim's strong call for the adoption of the Cabinet system at an early time cannot be simply dismissed as a mere hollow call of a politician now over the hill.

ROK: Opposition Solons File Complaint Against NKP Assemblyman

*SK1607075596 Seoul YONHAP in English
0717 GMT 16 Jul 96*

[FBIS Transcribed Text] Seoul, July 16 (YONHAP) — Two opposition parties submitted a motion to the National Assembly ethics committee Tuesday demanding that Rep. Yi Sin-pom of the ruling party be reprimanded for his allegedly acrimonious criticism of their leaders.

In a speech he gave at an interpellation session Monday, Yi described Kim Tae-chung, president of the National Congress for New Politics (NCNP), as a "man whose role was finished in the last presidential election." He also dismissed the opposition leader as a man "who cried for help after appearing again suddenly like a shepherd in (Aesop's) fables."

Yi argued that Kim Chong-pil, president of the United Liberal Democrats (ULD), was insisting on the parliamentary cabinet system of government without having

"repented for his past acts of infringing upon human rights and ruining of the constitutional rule."

NCNP and ULD floor leaders demanded to their ruling New Korea Party counterpart that Yi apologize for the criticism. Since the demand was rejected, the two opposition parties filed a complaint with the ethics committee asking that Yi be disciplined and his ethical standards examined. The complaint was signed by 128 opposition lawmakers including NCNP floor leader Pak Sang-chon and ULD floor leader Yi Chong-mu.

"Rep. Yi has not only defamed the two opposition party presidents by making groundless criticisms and spreading falsehoods, but he has also degraded the prestige of legislators and the status of the legislature by claiming that groundless rumors are facts."

In retaliation, the ruling party plans to submit a similar bill to the ethics committee against NCNP Reps. Yu Chae-kon and Han Hwa-kap of and ULD Rep. Pak Chol-on, for criticizing President Kim Yong-sam in their speeches in the National Assembly.

ROK: Opposition Threatens Boycott of Meeting With President

*SK1607114596 Seoul YONHAP in English
1718 GMT 16 Jul 96*

[FBIS Transcribed Text] Seoul, July 16 (YONHAP) — The two opposition parties threatened Tuesday to boycott President Kim Yong-sam's meetings with their leaders slated for Thursday and Friday unless the ruling New Korea Party (NKP) apologizes for Rep. Yi Sin-pom's floor speech "defaming" the two opposition leaders Monday.

But the NKP is against such an apology.

A Chongwadae [presidential offices] official said NKP floor leader So Chong-won had made it clear that his party would not make any apology for Rep. Yi's speech.

President Kim's meetings with the two opposition leaders are for achieving "big politics" through dialogue, and not for the sake of appearance or form of politics, he remarked.

Earlier in the day, the main opposition National Congress for New Politics (NCNP) demanded that the National Assembly ethics committee take disciplinary action against Rep. Yi for his attack on the good reputation of NCNP President Kim Tae-chung and President Kim Chong-pil of the minor opposition United Liberal Democrats (ULD) in his floor speech at the parliamentary interpellation session Monday.

In his speech, Yi said the two Kims should retire from politics for generational shift in politics.

In an eye for an eye, the NKP introduced to the ethics committee a motion calling for disciplinary measures against Reps. Yu Chae-kon and Han Hwa-kap of the NCNP and Rep. Pak Chol-on of the ULD for their defamatory speeches against President Kim Yong-sam on the floor Monday.

NKP spokesman Kim Chol called on the two opposition leaders to reconsider their parties' boycott of the government-opposition summit meetings they agreed on.

ROK: Rising Inventories Said To Signal Economic Slowdown

SK1307125196 Seoul THE KOREA ECONOMIC WEEKLY in English 8 Jul 96 p 3

[FBIS Transcribed Text] Industry is facing accumulating inventory stocks of varied products ranging from advanced materials to durable consumer goods.

In particular, inventory stocks of iron-steel products and petrochemicals, a barometer for business activities in the months ahead, reportedly are snowballing.

The outstanding inventory stocks of crude steel products at the end of May this year marked a whopping rise of about 90 percent over a year before, and those of steel plates and sheets posted an increase of 25 percent over a year earlier, sources at the Korea Iron and Steel Association said.

The sluggish production activities of construction, shipbuilding and automobiles have accumulated inventory stocks in the iron-steel industry, and there will be no immediate downward trends of inventory stocks for a considerable period of time, the sources said.

Inventory levels are more crucial for petrochemical firms. Inventory stocks of terephthalic acid (TPA) at the end of May this year showed an astonishing rise of five times over a year before.

Although petrochemical firms slashed their factory operating ratios to 74 percent beginning in May, their outstanding inventory stocks as of June 15 still showed an increase of 73 percent over a year ago.

Manufacturers of construction equipment are hard hit by setbacks in construction business at home, and they are trying to offset slow domestic sales by export sales to Southeast Asia in a bid to help reduce accumulating inventory stocks.

Automakers and consumer electronics manufacturers also are facing hardships caused by inventory pile-ups.

Auto assemblers reportedly had their outstanding inventory stocks of some 88,000 units, the equivalent of their

15-day output, registering nearly double the average optimum level of 7-10 days of output.

In the case of commercial vehicles, the outstanding inventory stocks were reported at 24,000 units, double the figure a year before, showing the equivalent of 24 days of output.

Consumer electronics makers also are fighting against growing inventory stocks.

The combined domestic sales of three major consumer electronics manufacturers such as Samsung Electronics, LG Electronics and Daewoo Electronics during the first five months of this year posted decreases of 5-10 percent from a year earlier, and their combined inventory stocks went up by 15-20 percent from the end of 1995, industry sources disclosed.

ROK: Ex-Hyundai Chief Decries Financial, Industrial Policies

SK1607035996 Seoul THE KOREA HERALD in English 16 Jul 96 p 8

[By staff reporter Yu Chong-mo]

[FBIS Transcribed Text] Sogwipo, Cheju Island — Emerging from seven months of silence after his retirement as chairman of the Hyundai Group, Chong Se-yong strongly criticized the government's financial policies as inefficient and erroneous.

Chong, delivering an address at a Korea Chamber of Commerce and Industry-sponsored seminar at the Cheju Shilla Hotel yesterday, said that excessively high bank interest rates, set by the government, are increasingly becoming a serious obstacle to regular corporate activities.

"One of the biggest problems facing the Korean economy is the unacceptably high interest rates, along with the slackening of overall labor morality and the public's excessive consumption of expensive foreign imports," said Chong, who is currently assuming the post of honorary chairman of Hyundai Motor Co.

"Korea's big conglomerates and small- and mid-ranking companies are forced to borrow money at 15 and 20 percent interest, respectively. Interest rates of up to 20 percent stand in sharp contrast to those of Western countries, which range from 6 to 7 percent. It is increasingly difficult to run a business enterprise in Korea, due to erroneous monetary policies," he said.

Chong warned that the national economy would continue to worsen in the following years, with the accumulation of foreign debt reaching \$100 billion, unless

distorted financial and monetary policies are fixed immediately.

"To help realize local business recovery in the shortest possible time, government monetary policymakers should give more attention to the nation's three major dollar-earning industries — manufacturing, air and shipping services, and construction. Unfortunately, however, the government seems only interested in protecting domestic financial institutions, which do not earn even one dollar from overseas markets," he asserted.

Indirectly hinting that the current government is lacking in leadership, Chong quoted a renowned Japanese professor as saying, "The Japanese Government has a strong willingness to assist local enterprises. That's why the bank interest rates are set at very low levels."

Chong's sudden remarks against the government draw particular interest as the Hyundai Group is desperately pushing to obtain a steel-mill license from the government. So far, Hyundai Group executives have exercised an extreme degree of self-restraint, in their effort not to offend the government.

ROK Defense Ministry: Military Strength Totals 690,000

SK0807102596 Seoul YONHAP in English
0704 GMT 8 Jul 96

[FBIS Transcribed Text] Seoul, July 8 (YONHAP) — The strength of South Korean Armed Forces now totals 690,000, approximately 35,000 more than last year, the Defense Ministry disclosed Monday.

The increase is attributed to the absorption into active duty of some 35,000 out of about 135,000 youths eligible for para-military service at rear area administrative offices, the system of which has recently been abolished.

Military strength breaks down into 560,000 troops for the Army, 67,000 for the Navy and 63,000 for the Air Force, according to the Defense Ministry.

ROK-Held Rice Stock Found 'Much Less' Than Recorded

SK0807054696 (Internet) The Digital Chosun Ilbo
WWW in English 1155 GMT 7 Jul 96

[FBIS Transcribed Text] The actual government-held rice stock is lower by 1.33 million som (1 som=5.12 US bushels) than recorded in the books. Therefore, it is expected that the government's rice stock will be depleted by August. A high-ranking government official said Monday, in the process of the government's investigation into the government-held rice stock, the actual stock was found to be was [as received] much less than recorded. This means that there will be no

rice to help control prices of rice from August to September.

This official said that the reason behind lower rice has not been determined, but presumes it to be a simple error in the statistics. With expectation of coming rice insufficiency, the Ministry of Agriculture, Forestry and Fishery has already decided to import thousands of Chinese rice. The government readjusted the rice stock from 1.05 million som at the end of October from the original 2.38 million som, the lowest since the 1980s.

ROK Daily Views 'Sharp' Reduction in Rice Reserves

SK1107010796 (Internet) The Digital Chosun Ilbo
WWW in English 1132 GMT 10 Jul 96

[Editorial: "Rice Stockpile Crisis"]

[FBIS Transcribed Text] Rice is our staple food and one of life's necessities. It is imperative that sufficient supplies of rice reserves be maintained. It comes therefore as a shock to learn that as at the end of October last year rice reserves were 5.12 million som, less than expected.

Agricultural authorities deny the existence of a rice deficiency. Perhaps they do so to avert the possibility of instability in the rice price. However, what is essential is a precise re-appraisal as to whether we have enough to maintain rice reserves of 12.2 million som as originally forecast or whether reserves have in fact been depleted by half as reported.

If there is a gap in government estimate and actual reserves of rice, then the whereabouts of those reserves for bringing about the deficiency should be investigated. At the same time reserves should urgently be brought up to the right level through imports. As it is, even if government forecasts are accurate, the amount of rice reserves in this country is well below the amount advised by the World Food and Agricultural Organization.

The increase in the rice price is a problem in connection with actual rice supply and demand, bringing about devastating effects. Agriculture authorities claim that the combination of the new rice harvest in September and an increase in the amount of government storage of rice will alleviate any serious price problem. It must be queried however exactly to what extent the stock of rice in the private sector can assist in stabilizing rice price. What we need are countermeasures to deal with any sudden arising of circumstances which would effect the supply of rice in this country.

We were notified of a sharp reduction in rice stock and grave concern in relation to food security.

last year. It was also pointed out that rice production was expected to be the lowest on record for 15 years. Our agricultural authorities, which persist in raving about the ever abundant supply of rice in this country, ought to be thoroughly chastised for their complacency and failure to promulgate necessary countermeasure to thwart any rice-associated crisis.

Today there is a global food crisis. World grain storage is at its lowest ebb on record and the price of grain is rising in leaps and bounds. We have reached the stage where food is a weapon of strength. It is lamentable that the government in such times fails to properly grasp the seriousness of our rice storage shortage and acts without direction or planning. The government ought to address the issue with urgency and resolution to obviate the anxiety currently being felt by the people.

ROK: KEPCO 'Stepping Up' Nuclear Power Plant Projects

SK0807120896 Seoul YONHAP in English
0623 GMT 8 Jul 96

[FBIS Transcribed Text] Seoul, July 8 (YONHAP) — Korea Electric Power Co. [KEPCO] is stepping up its nuclear power station projects, which have been stalled due to local residents' objections to their sites, encouraged by the recent ruling by the Audit and Inspection Board that the cancellation (of a power plant project) by local government contravenes the law.

The utility giant hopes to resume within the year a number of stalled projects, including nuclear power stations Nos. 5 and 6 in Yonggwang, South Cholla Province, thermal power station in Yonghung Islet, off Inchon city, and a heat and power plant in Poryong, South Chongchong Province.

The audit board ruled that Yonggwang County should scrap its decision to cancel the construction permit for the nuclear power plants it had issued to KEPCO.

KEPCO officials said that they are not sure whether the Yonggwang County Government would abide by the audit board's ruling within two months, but it will certainly spur power plant construction in other locations, which have been facing local protests.

Poryong city is likely to issue a construction permit for a thermal power station to be built on its property thanks to the audit board's ruling. Local residents opposed the construction for environmental reasons.

Work on the Yonghung Islet's thermal power station also is likely to be resumed in the fall, depending on the results of KEPCO's negotiations with Inchon city and Ongjin County Government.

The Yonggwang Nuclear Power Stations Nos. 5 and 6 are each designed to produce 1 million kw of electricity, Yonghung Islet Power Station will be capable of generating 1.6 million kw of power when completed, and the Poryong Thermal Power Station will be able to generate 1.8 million kw of electricity.

ROK Government Announces Five Major Infrastructure Projects

SK1607150796 Seoul YONHAP in English
1016 GMT 16 Jul 96

[FBIS Transcribed Text] Seoul, July 16 (YONHAP) — The government has designated five major infrastructure projects as "national policy projects" entitled to be financed by the national budget.

The five are projects to construct Inchon International Airport and the Seoul-Pusan high-speed train and develop port facilities at Kadokdo, Asan and Kwangyang.

In addition, the government has decided to revise the existing law on facilitating construction of a new airport and legislate laws on facilitating construction of high-speed railroad and new ports by the end of this year with a view to ensuring that smooth promotion of related projects will be legally guaranteed.

These were included in a set of measures to secure finances for major social overhead capital (SOC) projects announced by Finance-Economy Minister Na Ung-pae and Construction-Transportation Minister Chu Kyong-sok Tuesday.

Under the measures, private industries will be allowed to introduce foreign commercial loans to an extent not exceeding 20 percent of the total cost or obtain long-term domestic bank loans when they take part in the "first-rate private-capital SOC projects" which cost 1 trillion won or more apiece.

As for the loans, credit restrictions will be lifted for the businesses even if they are affiliated with 10 largest conglomerates which are normally subject to such regulations. Corporate taxes will be lowered to the level of public enterprises as for corporations set up for carrying out such SOC projects.

If everything goes smoothly, the transportation capacity of the nation's expressways will be more than doubled by the year 2002, and Kadokdo in Pusan and Kwangyang, South Cholla Province, be the world's third and 10th biggest ports by 2011, the ministers forecast.

The government has decided to reorganize the existing "Committee for Constructing Inchon International Airport and Seoul-Pusan High-Speed Railway" into an

"SOC Promotion Committee" that will be taken part in by local and central government leaders as well.

Foreign workforce will be employed in their capacities as industrial trainee for the new airport construction work.

ROK Textile Industry 'Ceaselessly' Assisted by Government

SK1607033796 Seoul THE KOREA ECONOMIC WEEKLY in English 15 Jul 96 p 19

[FBIS Transcribed Text] The textile industry will ceaselessly be on the list which will be given assistance from the government to help attain a triumphant transfiguration to a capital-intensive industry entering the 2000s with exports aimed at 19 billion won in 2005.

Minister of Trade, Industry and Energy Pak Chaeyun made these remarks at a second government-business cooperative meeting, recently held at the Korea Chamber of Commerce and Industry building.

He mentioned that the Ministry of Trade, Industry and Energy (MOTIE) will not suspend support for the industry even after the period for textile industry rationalization is terminated next year. He made it clear that to bring up the textile sector as a core export industry, the ministry is mulling over various measures to raise competitiveness.

Support will be offered to develop innovative automated spinning machines for mass production of medium-quality textile goods which are expected to meet ensuing

demand increases. In the meantime, textile companies will be guided to follow the global trend of a variety of production with small quantities for high-quality products.

Under the government's regional development plan, the nation's North Kyongsang Province area including the city of Taegu will strengthen its function as a hub for the textile industry. And through a successful presentation of the international textile fair in 1998, the area ultimately will get acknowledged as a global synthetic fabric production site, sources close to the meeting said.

Pusan, the nation's second largest city, will be regenerated as a woolen textile site to provide quality fashion materials. Common waste water dealing facilities will be expanded in dyeing estates housed in the city. Through those efforts, the city would sufficiently contend with Viellana of Italy, the global heart of woolen textile production.

Following an example of Italy's Como, Chinju in South Kyongsang Province will be developed to a worldwide silk fabric manufacturing site. For this, the government will launch a sales center and host silk exhibitions there.

Taejon, a central city of the nation, will be armored with towel production lines, similar to Japan's Senshu.

In addition, the ministry is also considering dispatching market exploration missions to Latin America or Eastern Europe more than two times a year, the sources said.

Burma

Burma: Jakarta Embassy Statement Denies Nichols Tortured

BK1607104296 Hong Kong AFP in English
1016 GMT 16 Jul 96

[FBIS Transcribed Text] JAKARTA, July 16 (AFP)—Burma Tuesday denied allegations that Leo Nichols, de facto honorary consul for four European countries, was tortured before his death in jail in Rangoon last month.

In a press statement released here, the Burmese embassy also rejected calls for an independent autopsy on Nichols' body, saying this would compromise the country's sovereignty.

"He was not tortured in any sense of the word, and there are no 'torture chambers' in Insein jail," the statement said, adding that procedures in Burma's prison system were unchanged since British colonial times.

James Leander Nichols, known as Leo, died in June at Rangoon general hospital "from natural causes due to a stroke and heart attack," the embassy said.

Burma: Government Forces Relocate 'Thousands' of Karenni Villagers

BK1607072796 Bangkok THAILAND TIMES
in English 15 Jul 96 p A2

[Report by Atsawin Phinitwong]

[FBIS Transcribed Text] Tak — The rebel Karenni National Progress Party (KNPP) yesterday elected a new leader, as the Burmese government forced thousands of people from their home to a new location in Burma's Kayah state, Thai officials said.

About 30 Karenni leaders elected the KNPP's secretary Ba Thu as new premier during a meeting at Thai-Burmese border base opposite Thailand's Khun Yuam district, Mae Hong Son province.

The KNPP meeting yesterday was attended by its President Pia Hae La, who presided over the ceremony to elect the new leader of the besieged ethnic minority group, replacing premier, Gen Aung Than Lay, who is due to retire Saturday.

Meanwhile, the Burmese military's recent forced relocation of local villagers in Kayah state has sent about 5,000 Karenni villagers into Thailand's Ban Nai Soi village in Mae Hong Son province, Thai officials said.

The KNPP is fighting for autonomy in Kayah state in southeast of Burma. Recent Sightings have claimed more than 100 casualties on both sides.

As of yesterday, approximately 4,000 Karenni were in Ban Nai Soi to take refuge from Rangoon's forced relocation, a Thai border official said.

Sources said Burmese troops have recently set ablaze over 200 Karenni homes along the Thai-Burmese border, forcing more than 1,000 villagers to a camp near Kayah state's city Loikaw in a move to cut local support for the rebel group.

Burmese troops set up over 20 checkpoints along the road linking two Burmese towns, Myawadi and Pa-ann to curb transportation of contrabands from Thailand to the inner towns. Ten trucks carrying Thai goods have reportedly been seized so far.

The checkpoints were also set up to prevent Karenni from crossing the common border to work illegally in Thailand.

More than 300 Karenni and Burmese have been arrested and charged with leaving the country without permission since recent weeks, sources said.

Burma: Tin U Warns 'Destructionists' Not To Destabilize Country

BK1607102096 Rangoon TV Myanmar Network
in Burmese 1330 GMT 15 Jul 96

[FBIS Translated Excerpt] The Htanzalok Dam near Kyaukka Village in Monywa Township in Sagaing Division, a dam built by Construction Group 7 of the Agriculture Ministry's Irrigation Department, was inaugurated at 1000 on 14 July. Lieutenant General Tin U, secretary-2 of the State Law and Order Restoration Council [SLORC], attended the ceremony and delivered an address.

Tin U explained that the Htanzalok Dam, built on Bukhar creek, will be able to supply water to 2,000 acres of cultivable land and will contribute to regional and agricultural development. [passage omitted]

He noted that the unity between the state and the people and the people and the Defense Services are the main factors for the State's development. Forces with erroneous convictions are fabricating allegations of human rights abuses, forced labor, and a lack of democracy regarding these development matters, and are engaging in various means to destroy the unity between the state and the people, and the people and the Defense Services. He reminded the entire populace to beware of these threats and to oppose and remove them. Tin U remarked that the people, including the peasants, basically need peace and stability to carry out their business. He added that the country has achieved unprecedented peace and stability at present.

National reconsolidation efforts to sustain the peace and stability achieved have also gone a long way. Internal destructionists, their foreign cohorts, and certain external forces are attempting to destabilize the country and to undermine national sovereignty by pressure and intimidation.

SLORC Secretary-2 Lt. Gen. Tin U said the SLORC will continue to strive for stability and development based on the participation of the general public in accordance with the slogan: "The strength of the country lies within." [passage omitted]

Next, Agriculture Minister Lt. Gen. Myint Aung and Rail Transportation Minister U Win Sein delivered addresses. [passage omitted]

Burma: Khin Nyunt Addresses Basic Education Teachers

BK1507164696 Rangoon TV Myanmar Network in Burmese 1330 GMT 15 Jul 96

[FBIS Translated Excerpt] A ceremony to open the 22d Refresher Training Course for basic education teachers was held at the Central Institute of Civil Services Training Hall in Hlegu Township at 0900 this morning. Lieutenant General Khin Nyunt, chairman of the Myanmar [Burma] Education Committee and secretary-1 of the State Law and Order Restoration Council [SLORC], attended and delivered an address. [passage omitted]

Khin Nyunt explained the government's endeavors in cooperation with the people to achieve the national goal of a peaceful, modern, developed nation. [passage omitted]

He noted that the present era is a time in which certain large nations that want to place Myanmar in servitude and certain neocolonialists are collaborating and pessimistically spreading fabrications against the government's constructive acts and attempting to distort the population's view. He said everyone must have heard that the axe handles who rely on foreign countries and try to enslave the country are making things up and undermining the cultural and educational status of the nation. He remarked that preserving the culture with a national outlook is very necessary at a time when the axe handles are active. Continuing, Khin Nyunt said that the SLORC, for the benefit of all the people and based on patriotism and a national view, is proceeding along the right path of the country's development and will continue to bring about steadily its political, economic, and social objectives.

He urged teachers to correct and to teach the students in accordance with the slogan of the basic education

schools — "National discipline begins with basic education schools" — to uphold the cultural heritage, maintain discipline, and nurture good habits. [passage omitted]

Lastly, he urged the teachers to study with the aim of achieving the nation's political, economic, and social objectives; to learn to bring about national education policy goals and objectives for the peaceful pursuit of education; to study with the aim of organizing the students to thwart destructive elements; to study with the aim of leading the students to participate in the activities of the Union Solidarity and Development Association after understanding the association's objectives; and to successfully implement the special refresher course objectives. The ceremony ended in the morning. [passage omitted]

Burma: Aung San Suu Kyi Says 40 NLD People Still in Prison

BR1507142296 Rotterdam NRC HANDELSBLAD in Dutch 13 Jul 96 p 4

[Interview with Burmese National League for Democracy leader Aung San Suu Kyi by Lolke van der Heide in Rangoon; date not given: "Time Does Not Count for Burma's Opposition Leader"]

[FBIS Translated Excerpt] Rangoon, 13 July — [Passage omitted]

[Van der Heide] At the end of the 1980's you were very optimistic about a turnaround in Burmese politics and the disappearance of the junta. That optimism has not yet been realized.

[Aung San Suu Kyi] (determined and curt) Democracy will come. People realize more and more that this system cannot continue as it is now. The situation is completely different from 1988 (during the people's rebellion — NRC HANDELSBLAD editor's note), when the people reacted above all emotionally. Burmans now know that opposition exists; they are letting their intelligence work.

[Van der Heide] You told the people that they should not turn against the Army as such, but how can Burmans have faith in the soldiers?

[Aung San Suu Kyi] Every country needs an army; it is just a matter of getting the army in the right place. We are not the first country in the world where a military regime will make way for democracy. If that is successful elsewhere, then why not here? Ultimately there is nothing mysterious about cooperation between a government and the Army, as long as the cooperation takes place within democratic relations.

[Van der Heide] The ruling military State Law and Order Restoration Council (SLORC) started a dialogue with you in 1994, a dialog that was later stopped by them. Do you know why?

[Aung San Suu Kyi] (fiercely) You can hardly call the talks I had with the military a dialogue. They wanted to tell me what to do; of course, it does not work like that. As for the NLD [National League for Democracy], the door is always open, for talks; but that will not start with us. We have more to do than to sit all day long waiting for the SLORC.

[Van der Heide] Do you expect help from abroad?

[Aung San Suu Kyi] We are well able to manage by ourselves and have no expectations of other countries at all. We only ask the international community to see to it that the UN's Universal Declaration of Human Rights is implemented in Burma.

[Van der Heide] How many of your supporters are still in prison since the May and June arrests?

[Aung San Suu Kyi] We have still heard nothing of 90 people. That does not necessarily mean that they are all still in prison; in this country it is sometimes difficult to make contact with one another. In the case of 40 NLD people arrested since May, we are certain they are still not free, and that includes six members of the parliament.

[Van der Heide] Why does the regime allow your "gatherings by the fence," do you think?

[Aung San Suu Kyi] You'd better ask them. [Aung San Suu Kyi ends] [passage omitted]

Aung San Suu Kyi said that the meetings near her house are a thorn in the side of the regime, and that everything is done to end them.

"People who want to come to the gathering or are just on their way from it are threatened, spied on, and photographed. It is a sacrifice for my supporters to come here."

Immediately after Burmese independence, various ethnic minorities took up arms against the central government. Although the Army has made cease-fire agreements with virtually all the opposition movements in recent years, the ethnic question continues to hang over Burma. Some fear that Burma will even become a second Bosnia and fall to pieces if the NLD comes to power.

[Aung San Suu Kyi] The comparison with Bosnia is completely wrong. It is precisely the lack of freedom that divides this country. We are in favor of a Union of Burma, in which all the peoples can have their own

place. In our country, unlike in Bosnia, there has never been a question of intolerance. Buddhists, Muslims, and Christians live harmoniously together.

[Van der Heide] Wait a moment, the Muslim population in the west of the country (rohingyas) has been severely persecuted in recent years.

[Aung San Suu Kyi] That had nothing to do with religion and everything to do with the violent policy of the SLORC, which moved Buddhist farmers to Muslim areas.

[Van der Heide] In the meantime, the economy of this country is doing very well. Burma has growth figures of around 8 percent.

[Aung San Suu Kyi] There is a lot of air in this economy. The Burmese economy is a balloon emptying very slowly. In the first place it is not built on strong foundations. There is no question of an open market economy here. This is "crony" [preceding word in English] capitalism. Only a small group of privileged people has access to the possibility of doing business and progressing. People do talk of the "trickle-down effect," but I do not believe in it. Of course, part of the population also profits, but they are bitterly few people. Do not forget that the majority of the people, 80 percent, live on the land, and poverty rules there.

And look at the foreign establishments: hotels, breweries, restaurants. That is not what this country is waiting for. For the people it provides nothing. The products are too expensive for most people, and the regime tries to show off with them. It is also certain that many companies in Burma were set up with the help of drug money, and that government companies are financed with drug money. Fine partners they make for foreign companies!

[Van der Heide] If your NLD were to come to power, what economic policy could we then expect?

[Aung San Suu Kyi] In principle we will stick to a market economy with the proviso that, unlike now, everyone — including the people in the countryside — will have a chance to develop.

[Van der Heide] How should things develop now, in Burma and for you? The situation is completely deadlocked, with two parties that are no longer speaking each other at all.

[Aung San Suu Kyi] We never talk about that. Time does not count, for us. The people of Burma want change, and no government, no matter how repressive, will be able to deny that in the end.

Burma: Article Views CIA 'Meddling', Intrigues

BK1507132696 Rangoon THE NEW LIGHT OF MYANMAR in English 13 Jul 96 p 5

[Article by Maung Pho Hmat: "CIA's Meddling Footwork on Myanmar Soil"]

[FBIS Transcribed Text] Our Myanmar Naing Ngan [Burma] has consistently pursued non-bloc-aligned foreign policy. It is our independent and active foreign policy. Since it regained national independence, it has been participating as a member of the United Nations and uprightly performing its international responsibilities. It has never fostered hostility towards any country. There have of course been our struggles against British colonialism and fascism.

Myanmar has maintained friendly relations with neighbouring countries and cooperated with them in activities of mutual interest. Since the end of World War II the Western capitalist bloc and the Eastern socialist bloc had waged the cold war. Newly independent developing countries had to steer clear of both, so as not to suffer like grass between two fighting buffaloes. They had to take great care and endeavour to stay neutral.

Myanmar had taken no side with any bloc in that cold war. Each side tried to draw it into its camp. Myanmar staunchly withstood it. In trying to win it over to their side, the blocs also used such means as economic assistance, propaganda machines, and political patronage with provision of handouts. When one would not be taken in by all that, they did not like it. Taking one in meant drawing one into its camp and putting it to their own use.

After it regained national independence, Myanmar was subjected to endeavours to win it over to this side and that side. The West Bloc led by the Americans tried to win others over with incentives such as assistance through ECA, PL 480, MSA [expansions unknown] and through Ford Foundation and Asia Foundation etc. Such assistance was always with strings attached.

Kuomintang, KMT, troops fleeing from military defeat in China intruded into Myanmar territory. The one that had the KMTs encamp at Myanmar border so that they could cause trouble to China any time was the American CIA. Assistance in terms of funds, arms, supplies, medical stores and transport facilities was all provided by the CIA. Later the CIA taught the KMTs how to refine opium into heroin, enabling them to stand on their own feet. The heroin market at the Golden Triangle was one opened by the CIA.

The Myanmar people protested the KMT intrusion. The Myanmar Tatmadaw [Defense Services] fought and crushed the KMTs. An American military mission came

to Yangon [Rangoon] with an exhortation not to do so. The Tatmadaw refused to accept it and continued fighting.

On 21 February 1961, a demonstration took place before the American Embassy. The one that stood tall before the demonstrators and fully with the style of a hero flung a garbage can at the embassy building was Ajala, the Nigerian. Myanmar leftist student leaders who took him to be from the progressive International Students Union became Ajala's followers. The demonstration became riotous and Ajala was taken in by Kyauktada Police. He was bailed out by U Law Yone, chief editor of THE NATION daily. The next day, the government deported Ajala. It turned out the Ajala who acted recklessly as if he were a big leftist student here was in fact one sent by CIA to distract the attention of Myanmar people who were outraged by KMT intrusion. Don't ask if the CIA is full of wiles. It became clearer when the man was bailed out by CIA agent journalist like U Law Yone.

About 1943, during the Second World War, the OSS that was the forerunner of today's CIA was based in northern Myanmar. The staff officer at the OSS headquarters in Myitkyina was American Major-General Stilwell. One who served as a major under him was U Law Yone. Later, he became chief editor of THE NATION in Yangon. He was the one who bailed Ajala out.

That U Law Yone, in cahoots with CIA, became an expatriate together with U Nu in 1969-70. A man and a woman personally groomed by U Law Yone and sent out right into China to gather intelligence later became famous film actor and actress. The latter had long passed away. The actor once again meddled in the four-8s [8-8-88] disturbances. It was that character who in the early days of the four-8s disturbances contrived to get literary, music and film artists on stage and make public speeches. He was the one that stood alongside Ma Suu Kyi when she went on stage on 26-8-88.

An in-law of U Law Yone was Dr Seagrave of Namhkam Hospital. His elder son Sterling Seagrave met U Law Yone's daughter Wendy Law Yone at a dance at a place on University Avenue and got married. Sterling Seagrave owned a TV enterprise in America. Sterling Seagrave and Wendy Law Yone were among those who rallied for the expatriates around 1970. They wrote articles publicising the expatriates in Bangkok media and Western media.

Just after Myanmar regained independence, American missionary doctor Lt-Col Seagrave came to Myanmar with an American intelligence unit, DED 44. He went up to Namhkam and carried out political intrigues of CIA while doing missionary work and medical service. He pushed the indigenous people into the life of armed

insurgents. The AFPPL [Anti Fascists People's Freedom League] government arrested him for that. Though it was a case that called for heavy punishment he was given only a six-month imprisonment sentence, in consideration of assistance then being given by America. Western media kicked up a row as though Seagrave were arrested unjustly.

During the time of AFPPL government, the Americans had all the chance to meddle in Myanmar to their heart's content. Through such agencies as Ford Foundation, Asia Foundation, ECA, MSA and PL 480, they put counterweights to prevent Myanmar Naing-Ngan from going socialist in accord with the wishes of Bogoyoke [General] Aung San who had resolutely determined that Myanmar Naing-Ngan would be rebuilt through socialism after independence.

American CIA officers wearing cloaks of diplomacy did a lot of meddling in Myanmar. According to documentary evidence, 44 CIA agents in diplomatic cloaks came and worked in Yangon up to 1964. That list was only for 15 years. One can imagine how many there could be in over 30 years up to now.

Myanmar Naing-Ngan was of great importance to the West bloc. The CIA has been meddling with aims at preventing Myanmar from going socialist, getting it to submit to manipulation by the West, making it possible to masterfully use Myanmar's resources, Myanmar's territorial seas, Myanmar's land territory, Myanmar's air space, to operate from Myanmar Naing-Ngan to keep in check counties they wanted to keep in check including China, to establish their military bases in Myanmar's territorial sea, Myanmar's land territory, and also with aims at destroying the Myanmar Tatmadaw they could not win over.

Such teams as ones called study missions numerous had come from them to Myanmar Naing-Ngan on various pretexts. For instance, a team would come ostensibly to conduct research to combat malaria, and on that pretext, go out to border areas and frontier areas, gather intelligence on regional conditions, and then they would catch some mosquitoes and come back. They have done that many many times.

Ford Foundation and Asia Foundation penetrated into the education field. It was a way of giving assistance and winning over. There had been two foreigners who had stayed at Yangon University for many years. Those of middle age and those older now would know of them. They were Sayagyi [Teacher] Luce and Sayagyi Funnival. The latter lived in the former's house. University circles liked and respected them. As they stayed long in Myanmar and as they were strong in

their studies, they both became well versed in Myanmar history, Myanmar culture and Myanmar customs.

During the time of AFPPL government, an American technology expert group from American Ford Foundation got itself settled at Yangon University. It studied and compiled some paper on Myanmar Naing-Ngan's surface and subterranean natural resources and exports, on industries, their capabilities, and their production of finished goods, and on labour problems and requirements in industries and other enterprises. They said it was to teach technology to Myanmar experts.

On that pretext, they gathered intelligence on Myanmar's economy, hold it in secret, and took them away when they left. Sayagyi Funnival in his studies concentrated on Myanmar economy. He also wrote books and papers. Sayagyi Luce concentrated on Myanmar history and set up two problems. One was the problem that arose when he asserted that "it was not true Myanmar started from Tagaung; Myanmar started from Kyaukse". That assertion was countered by Myanmar scholar U Po Lat. There was also a profusion of disagreement and counter-accusations that the said assertion was an attempt at breaking the backbone of the history of Myanmar and an attempt to degrade the history of the Myanmar [Burmese].

At that time, the AFPPL, especially the PaHtaSa — UP [Union Party], in their election campaigns made promises that included one to give statehood to Mons and Rakhines [Arakanese]. In such a situation Saya Luce set up the second problem. He made assertions that it was certain that Mon culture and Mon civilisation had been established right up to Sriksetra, Pyay [Prome]. Luce had thereby prompted Mons to ask for all areas right up to Sriksetra, Pyay, when they asked for statehood. Luce's instigation, however, came to nought because of farsighted Mon national leaders.

With Saya Luce's connivance, Saya Funnival got hold of a copy of a project of the Caretaker Government in 1958-59 and sent it out via a departing American expert group. Consequently, the Caretaker Government had to drive both Luce and Funnival away. To put it mildly, it sent them back. In reality it was deportation.

The CIA was moving from behind in the federal issue in 1962. It instigated for emergence of states that would secede from the Union of Myanmar. It had even slapped palms as a sign of prior agreement for the seceding states to join the South-East Asia Treaty Organization, SEATO, founded and led by the Americans. On 2 March 1962, the Revolutionary Council took over responsibilities of the State and had to put a stop to the federal movement that would cause disintegration of the Union. After that the CIA stepped up their meddling

with numerous kinds of economic, political, and racial assaults, and even in the field of religion, as borne out by many instances.

During the time of PaHtaSa government, 1961, Asia Foundation moved for extension of Yangon-Mandalay highway at its expense. One might ask if it was not good to extend the highway. One must answer that it was good. The highway would become broad, smooth, and firm. How good it would become! However, it turned out later that the intention was for aircraft to land on that highway. China asked Myanmar authorities to let them plant trees along the middle of the highway to make it more beautiful. Once that was said, the Americans canceled plans for the highway. It became clear the Americans intended to use the highway for military purposes. If trees were planted along the middle of the highway, how could aircraft land on it?

West bloc broadcasting stations — BBC, VOA, Radio Free Europe, Radio Free Asia, Radio Liberty, Radio Jose Marti etc — Star Television and media all want to meddle in their target countries with untruths. All know Myanmar too has been picked as such a target. Those who call themselves journalists are controlled by CIA. There are also CIAs in the guise of journalists. All know the likes of them. All meddling in Myanmar.

What I am saying now is only the tip of an iceberg. Details may be found in the book on CIA intrigue by Chit Kyi Yay Kyi Nyunt and the book on the latest tripartite by Yebaw Ba Khet and Yebaw Mya.

This is but a rough sketch of CIA's attempts for destruction of Myanmar Naing Ngan and the West bloc's perpetrations since independence. Today, too, as is known to all, the CIA is forcefully promoting their decoy and puppet and meddling in Myanmar's internal affairs. Giving their decoy awards and prizes prolifically, they are singing chants to project the same as the leader of all Myanmar people, the leader respected by all Myanmar people.

CIA is not giving up even when many millions of people today at the mass rallies throughout the country and at mass gatherings to post People's Desire billboards are daily voicing their will not to let the nation fall back into four-8s hell, their will to crush all internal and external destructive elements, their rejection of the woman who destroys genealogy, their will to break all axe-handles, and their massive support for NaWaTa's [SLORC — State Law and Order Restoration Council] endeavours for the good of the country. Of course, we all know who the CIA decoy and puppet is, don't we? A trifle.

Burma: Six Tiddim-Based SLORC Soldiers Defect to NCGUB

BK1307162996 Oslo Democratic Voice of Burma in Burmese 1430 GMT 13 Jul 96

[FBIS Translated Text] It has been learned that six members of the SLORC [State Law and Order Restoration Council] unit defected to the National Coalition Government of the Union of Burma, the NCGUB. The National League for Democracy, Liberated Area; Chin National Front; and ABSDF [All Burma Students' Democratic Front] — which are based along the India-Burma border — welcomed the defectors and provided them with needed assistance.

A ceremony attended by all the India-based democratic forces was held to honor these defectors at the NCGUB Office in New Delhi at 1200 today. On behalf of the NCGUB, Minister Tint Swe delivered a congratulatory note at the ceremony.

The Defense Services soldiers who defected to the NCGUB are: Private Aung Win, personal number 963398; Pvt Hla Win, personal number 996567; Pvt Khin Maung Win, personal number 963599; Pvt Kyaw Min Hlaing, personal number 977037; Pvt Kyaw Khaing Tun, personal number 996204; Lance Corporal Kyaw Moe, personal number 225676. They are from Tiddim-based No. 269 Light Infantry Battalion.

They said they defected because they witnessed the military oppression of the public and realized that people abhor the Defense Services. They also said unfair treatment by superiors, insufficient salary, and forced labor by the public, too, caused them to defect.

Burma: Jailed NLD MP Reportedly Sent to Rangoon General Hospital

BK1307094996 (Internet) BurmaNet News in English 12 Jul 96

[Press Release by the All Burma Students' Democratic Front News Agency dated 12 July; place not given]

[FBIS Transcribed Text] U Hla Than, elected MP [member of parliament] of the Coco Islands, Rangoon Division was taken into Rangoon General Hospital on July 9, 1996 for unknown health reason, according to the reliable source from inside Burma. He was an elected NLD [National League for Democracy] MP in 1990 general election and was a chairman of Kemmendine Township, Rangoon Division. He was arrested in October 1990 and put in infamous Insein jail. He was among the 21 political prisoners who were sentenced to additional long terms of imprisonment last March for passing information to the UN Human Rights Special Rapporteur.

Prisons and jails in Burma are notorious for ill-treatment including torture, prolonged shackling, lack of proper medical care and insufficient food to the prisoners especially to the political prisoners. Political prisoners face beating, sometimes to the point of unconsciousness; being forced to crawl over sharp stones; sleep deprivation; being held in the hot sun; being held in the solitary confinement cells or in the military dog cells for prolonged periods.

Many political prisoners were reportedly died of ill treatment and torture during their time in the prisoner. Recently, Myint Swe, suspect of former ABSDF [All Burma Students' Democratic Front] member died on June 13, 1996 in Theyet prison in the middle of Burma. As he was a Muslim, his body was allowed to cremate at the same day of his death. His family later found out that his skull bone and jaw were broken. It was believed that he was seriously tortured before he died. However, no explanation was given by the prison authorities.

Similarly, on June 22, James Leander Nichols, an uncredited representative for Denmark, Finland, Norway and Switzerland died in prison. London-based Amnesty International said Nichols reportedly had been deprived of sleep for several days before dying. ABSDF News Agency ABSDF (DAWN GWIN)

Burma: Aung San Suu Kyi Interviewed on Political Situation

OW1307035996 Tokyo YOMIURI SHIMBUN
in Japanese 11 Jul 96 Morning Edition p 4

[By Shinichi Takabe and Yoshiharu Fujiwara]

[FBIS Translated Text] Rangoon, 10 Jul — Aung San Suu Kyi, leader of the democratic movement in Burma, marks the first anniversary of her release from house arrest on 10 July. Suu Kyi gave an interview to YOMIURI SHIMBUN at her home in Rangoon on the afternoon of 9 July, during which she again emphasized her determination to carry on the democratic movement on a long-term basis. She said: "The military regime has not changed at all after one year. I would like to realize democratization, no matter how many years or decades it takes."

Commenting on the plan by the military junta — the State Law and Order Restoration Council (SLORC) — to attract foreign capital and tourists, which it regards as a catalyst for economic development, Suu Kyi said: "(The tourism year that begins in November) is nothing more than propaganda by the military regime. I am completely opposed to this. To show their solidarity with the democratic movement, I hope the people of the world will not come. Investment will only enrich

a handful of affluent people." She reiterated her appeal for a boycott.

During the interview, Suu Kyi began by discussing the first anniversary of her release. She reminisced on the past year, and said: "It has become evident that my release does not mean any progress in democratization. However, the National League for Democracy (NLD) has won the support of even more people." Commenting on the detention of 273 legislators and leading NLD members in May, she said: "Even now, we are not able to make contact with 93 of them. In Rangoon alone, we have been able to confirm the detention of six assemblymen and eight party members. The mass arrest only attests to the strength of the NLD. The military regime is afraid of us."

On the possibility of holding talks with the military administration, she said: "this has not been discussed in the NLD," thus indicating that it will take time for such dialogues to resume.

On the future of the democratic movement, Suu Kyi said: "It is difficult to make predictions about the future of politics. We continue to discuss the realization of democracy, no matter how many days, months, years or decades it takes. Time is not an important factor."

Regarding what she will do on "Martyr's Day (19 July)," which is celebrated in honor of Suu Kyi's father, General Aung San, father of Burmese independence, Suu Kyi merely said: "To date, I have not received an invitation from the military regime. We have also not decided on whether to hold our own ceremony." Suu Kyi participated in last year's ceremony organized by the military administration, and for a time an atmosphere of conciliation prevailed.

Burma: Article Says No Rice Problem, Urges Cultivation

BK1207123996 Rangoon KYEMON in Burmese
12 Jul 96 p 6

[Article by Bagyi Aung: "Nothing To Worry About; Cultivate More Paddy Rice"]

[FBIS Translated Text] For a long time, I have wanted to write a true story. It is difficult for me because I don't know how to write elaborately. I read the report in Trade Minister Lieutenant General Tun Kyi's clear-cut words entitled "Will Export Only After Striving For Domestic Sufficiency; [The government] Will Control Prices of Rice and Paddy" on the last page of MYANMAR ALIN dated 11 June 96; and this has stimulated me to write this article. I don't know how to write elaborately so I cannot help it if my article ends up in a waste basket.

I have been residing in a village for 13 years and I have considerable knowledge about matters concerning peasants, rice, and paddy. I don't want to write about other matters because I may not be able to avoid commenting on those issues. Therefore, I have decided to write about the feelings of peasants and the worries of rice consumers, especially the desires of the peasants.

Words That Cool Down The Hearts of Rice Consumers [subhead]

"Paddy produced above the amount for domestic sufficiency will be milled and exported" These are the precise and straightforward official words of Lt. Gen. Tun Kyi, minister of trade and member of the State Law and Order Restoration Council, who has assumed state responsibility and has been administering the state. The public, the 100 percent consumers, should notice these words. Get rid of your worries. I learned about similar words when I was young. It was during the Revolutionary Council era more than 30 years ago. Back then the Revolutionary Council chairman said: "We will have to export surplus rice only after ensuring that our people have enough to fill their bellies." I remember those words. I want to say that no state leader in Myanmar [Burmese] history has ever taken the attitude: "We don't have to care about the population as long as we earn foreign exchange; we can do whatever we like." This attitude alienates a leader from his people. The new generation leaders also follow in their predecessors footsteps. I understand that the leaders never forget about the affairs of the people, and they also care about the people.

In my village, there are envious people "like the characters in a Wolf and Lamb story." "Allow me to speak openly. There are people who hate the Defense Services. They still find ways to say bad things about the Defense Services." But these people are a minority. My conversation has become too long, so allow me to go back to the topic: that the rice consumers need not worry. This is how I see it. In support of this, allow me to present the words of assurance of Lt. Gen. Tun Kyi. He said: "The state will control the extreme increase in the domestic rice price."

Words That Cool Down the Hearts of Rice-Growing Peasants [subhead]

Lt. Gen. Tun Kyi said: "The Trade Ministry will work for the convenience of peasants by purchasing paddy rice at a price that is economically feasible for both parties, so as to avoid a situation in which the peasants lose interest in cultivating paddy because of the big fall in paddy prices."

Thus, the peasants have nothing to worry about. If the peasants discharge their duties and cultivate more paddy

rice, then they will produce more. It is certain that their lives will be more comfortable. Now, in my village, 60 percent of the peasants' houses have corrugated zinc roofs. Previously, they were thatch-roofed houses. This is one of the examples.

The peasants whom I know have complained about various things. They told me: "We face losses because the cultivation and production costs are so high and the price offered by the Trade Ministry is very low. Fortunately, we are helped by the price offered by the outside traders." Moreover, problems also arise when the peasants are unable to sell a set amount of paddy to the purchasing centers. Some peasants are unable to sell because of crop failure, while some peasants sell all their paddy to the outside traders and say they had a crop failure. I think these problems will also occur in the future. The solution to these problems is that "there must be a small gap between the prices offered by the outside traders and the Trade Ministry." Another thing is to stop the public service personnel at the purchasing center "from fooling and tricking the peasants." Whenever they get the opportunity, the state leaders always mention this matter, but it is sad to see that the public service personnel are ignorant and unafraid, and this practice is still going on.

Allow me to conclude my plain article:

— Peasants who cultivate and produce paddy rice, you need not worry. Grow more good-quality paddy rice and pay attention to higher production. Do not worry about the price if you have cultivated and produced more good-quality paddy rice. You will not lose, but will benefit. I am certain that you will earn more and will progress.

— Rice consumer, do not worry or become depressed. Do your job. There is no rice problem. If you are not working hard enough, then do not complain that "life is miserable and tough." "Nothing will happen if you just sit down and do nothing."

— If one wants the country to be modern and rich, then one cannot "work as usual," as mentioned by state leader Senior General Than Shwe.

Burma: Investor Turns to Malaysia After Carlsberg Withdrawal

BK1207043696 Bangkok BANGKOK POST
in English 12 Jul 96 p 2

[Report by Nutsara Sawatsawang]

[FBIS Transcribed Text] A Burmese businessman is turning to Malaysia after Carlsberg of Denmark yielded to European Union pressure and abandoned plans to set up a brewery in Burma.

Thein Tun said he was negotiating with Malaysia's Asia-Euro Brewery and the deal was likely to be signed within a month. "We have their commitment," he said.

Carlsberg pulled out at a time when construction of the brewery was 80-percent complete, a source said.

The brewer came under pressure from the EU and the Danish Government after James Leander Nichols, Denmark's former honorary consul and a close family friend of Aung San Suu Kyi, Burma's democracy leader, died in prison last month.

Mr Nichols, who was 65, also served as honorary consul for Sweden, Finland and Switzerland. He was charged in April with possessing two fax machines and a telephone switchboard and was sentenced to three years in jail.

Despite Carlsberg's withdrawal, the Burmese partners are negotiating with the brewer to use its license, said Thein Tun.

Carlsberg's withdrawal represents the second time Thein Tun's business interests have been affected by international pressure.

Earlier, he had to buy 40 percent of the stake held by Pepsi International of America, which pulled out of a joint venture.

Thein Tun, who is chairman and chief executive of the Pepsi-Cola Products Myanmar Co, was fiercely critical of international pressure on business.

But he expressed confidence Asians would continue to invest in Burma and said he would continue to look for business partners among them, rather than among westerners.

"Pressure might work with investors from America and the EU," he said. "But I do not see this kinds of problem in countries like Japan, Korea, Singapore, Hong Kong and Thailand."

Siam Cement is engaged in a joint venture in consumer products with Thein Tun.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: IMF Director Remarks on Strong Economic Growth

BK1407114696 Kuala Lumpur SUNDAY STAR in English 14 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Malaysia's strong economic growth is exceptional to the extent

it does not need direct funding from the International Monetary Fund (IMF).

IMF managing director Michel Camdessus said Malaysia was the first developing country to turn from a position of recipient to contributor nation.

"There are few countries in the world growing at such a high rate and fewer still with such stability," he said.

"The aspects of Malaysia's economy are fairly exceptional and there is almost no other country with such a good growth distribution."

Camdessus said the IMF direct funding had been withdrawn since the early 80s when Malaysia established "solid financial accounts."

"However, financial support will still be available if Malaysia needs it although I think the question does not arise presently," he said.

"Our only support for Malaysia takes the form of a permanent dialogue and monitoring of economic performance as well as technical assistance," he told reporters after a briefing by the Economic Planning Unit yesterday.

He is here for a three-day visit at the invitation of Deputy Prime Minister Datuk Sri Anwar Ibrahim, who is also the Finance Minister.

He said the government had expressed a desire to maintain the high growth rate while controlling inflation and fighting poverty through more equal income distribution.

He added that the country's service industry was underdeveloped when compared with progress in other areas.

Camdessus said Malaysia had agreed in principle to contribute to efforts to help poorer countries and be part of a global financial safety-net to prevent major financial crisis disrupting the world economy.

Malaysia: Premier Mahathir Receives Cambodian House Speaker

BK1307113696 Kuala Lumpur THE STAR in English 13 Jul 96

[Bernama report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Cambodian National Assembly President Chea Sim called on Prime Minister Datuk Sri Dr. Mahathir Mohamed at the Prime Minister's Department yesterday. Chea's delegation included Commission for Home Affairs, National Defence, Investigation and Anti-Corruption Chairman Bou Thang and Commission for Public Works, Transport, Communications, Industry, Energy, Mines and

Trade? Chairman Ahmad Yahya. They were accompanied by Dewan Rakyat [House of Representatives] Speaker Tan Sri Mohamed Zahir Ismail. Chea arrived here on Wednesday for a visit to reciprocate Mohamed Zahir's visit to Cambodia in 1994.

Malaysia: Cambodia's Chea Sim Assures Investments 'Safe'

BK1207145796 Kuala Lumpur NEW STRAITS TIMES in English 11 Jul 96 p 10

[Unattributed report]

[FBIS Transcribed Text] Kuala Lumpur, Wed.— The Cambodian Government has given an assurance that the situation in the country has improved and that Malaysian investments there are safe.

Foreign Minister Datuk Abdullah Ahmad Badawi said the assurance was given by visiting Cambodian National Assembly President Chea Sim who arrived for a two-day official visit.

"There has not been any untoward incidents in Cambodia which could endanger Malaysian investments.

"The situation in Cambodia is fair. In fact, it has become much better over the past two to three months and the Government is now busy making State visits to encourage investors from abroad," Abdullah told newsmen at Wisma Putra [Foreign Ministry] today.

On Cambodia's proposed entry into ASEAN, Abdullah said Malaysia would assist it by providing financial and administrative assistance.

"It is our intention to assist Cambodia to become a full-fledged member of ASEAN so that it can play a wider role within the region. Next year, its Foreign Minister will be attending the ASEAN Foreign Ministers' Meeting here as a full member," he added.

Shortly after their arrival, Chea Sim and his 10-member entourage were taken to Parliament House to witness the Dewan Rakyat [House of Representatives] proceedings. Chea Sim also met Dewan Rakyat Speaker Tan Sri Mohamad Zahir Ismail who had visited Cambodia in 1994.

Tomorrow he and his entourage will visit the Election Commission headquarters. They will also tour Menara [tower] Kuala Lumpur before proceeding to the UMNO [United Malays National Organization] headquarters where they will meet Barisan Nasional [National Front] secretary-general Datuk Mohamed Rahmat.

On a memorandum submitted yesterday by 22 non-governmental organisations [NGO] and religious bodies urging the American media to refrain from insulting Is-

lam in their publications, Abdullah said: "There is truth in their statement.

"The western media is very fast in making allegations against Muslims, describing them as extremists and claiming they are responsible for the unrest in their own country.

"I am happy the NGOs have urged the western media to refrain from making such allegations, and issuing statements and showing documentaries which degrade Islam," Abdullah added.

Malaysia: Export Agreement Signed With Iran

LD1507084796 Tehran IRNA in English 0814 GMT 15 Jul 96

[FBIS Transcribed Text] Kuala Lumpur, July 15, IRNA — Iranian and Malaysian private companies here on Monday signed an agreement for export 25,000 tons of Iranian cement monthly to Malaysia for two years.

Head of Iran's Chamber of Commerce, Industry and Mines 'Ali Shams Ardekani and Malaysian Minister of Domestic Trade and Consumer Affairs Abu Hassan Omar were present when the document was signed.

Shams Ardekani said that Iran's cement production reached 20 million tons last year and the plan is to expory 10 percent of the production.

He added that Iran's cement production will rise up to 32 million tons next year.

Malaysia: Russian Rifles Among Items Seized From Detained Ships

BK1407111196 Kuala Lumpur SUNDAY STAR in English 14 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuching — Three Russian-made assault rifles were among the items seized from a Chinese-registered vessel which was among 17 boats detained for fishing in Sarawak's territorial waters.

Maritime Enforcement Co-ordination Centre director Laksamana Pertama [rear admiral] Datuk Tuan Hashim Tuan Mohamad said the AK-47 rifles and 600 rounds of ammunition were found on the vessel which was detained for illegal fishing .

"However, the crew of the trawler did not use the weapons when they were pursued by patrol boats," he announced at a press news conference yesterday on the results of Operasi Samudra Gagah [Strong Ocean Operation].

The operation, which ended yesterday, involved about 300 personnel from the Marine Police, Fisheries Department, Navy, Air Force and the Police Air Wing.

Laksamana Tuan Hashim said the 17 foreign fishing vessels with a total of 132 crew members were held for encroaching the Exclusive Economic Zone of Sarawak.

Eight of the vessels were from Indonesia, five from Vietnam, three from China and one from Taiwan.

**Malaysia: Editorial Views Singapore Air Force's
Airspace Violations**

*BK1607114696 Kuala Lumpur UTUSAN MALAYSIA
in Malay 15 Jul 96 p 6*

[Editorial: "Respect the Sovereignty of Neighboring Nations"]

[FBIS Translated Text] The Defense Ministry has confirmed six violations of our country's airspace in the months of April and May of this year by Republic of Singapore Air Force [RSAF] jet fighter aircraft.

According to Defense Minister Datuk Syed Hamid Albar, some of Singapore's jet fighter aircraft flew as low as 200-300 meters for two to three seconds in Johor state's airspace. Such actions would not occur if pilots observe all flight regulations, particularly during takeoff.

The RSAF needs to honor and respect the pact that was jointly agreed upon with all its neighboring nations. The Governments of Malaysia and Singapore signed an agreement allowing flight exercises to be conducted at an altitude of 450 to 900 meters. Nevertheless, the agreement will prove meaningless if the RSAF has violated the regulations.

It should be remembered that Malaysia's relations with the republic were not formalized over a period of two or three days. As such, the two countries have had a long time to understand one another's sentiments, habits, and struggles.

Mutual respect and goodwill are among the characteristics that exist in Malaysia's relationship with Singapore, in addition to respect for one another's sovereignty, sensitivities, and principles. Every conflict that arises is dealt with in a diplomatic manner at the negotiating table without fear or suspicion.

This could also be applied to this issue of airspace violations. Every country should respect another country's sovereignty if it wants to be respected in return.

According to an earlier report in *UTUSAN MALAYSIA*'s "Tanjung Puri" column, some RSAF jet fighter aircraft were detected to have flown at very low levels when conducting air exercises in the

Kampung Pendas Laut district of Johor. The aircraft involved were identified as F-16A/B's; A-4SU's; Super Skyhawks; Hawker Hunters; F-5E Tiger II's; Skyvans, and AS 332 Super Puma helicopters.

The report also revealed that the airspace violations by jet fighter aircraft interrupted television programs and local fishermen's activities. The loud noise from the jet fighters also scared infants and shook nearby village huts. With the confirmation of the airspace violations by these jet aircraft, the Foreign Ministry should seriously consider taking firm action to find an amicable solution to resolve the issue. This could be undertaken firmly at the negotiating table. As a neighbor, the Government of Singapore should have been able to predict Malaysia's response.

In the spirit of ASEAN, the government of the republic can take swift steps to conduct its own investigations, without waiting for Malaysia to submit an official protest. Should it be found that the pilots have acted on their own initiative, then they should be pardoned and an apology should be extended. This is in accordance with the basic principles of respect that have been the normal practice all along.

**Malaysia: Prime Minister Leaves for Kyrgyzstan,
Kazakhstan**

*BK1507065796 Kuala Lumpur RTM Television
Network 3 in Malay 0530 GMT 15 Jul 96*

[FBIS Translated Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed left at noon for two Central Asian Republics on an official six-day visit. He is accompanied by his wife, Datin Sri Dr. Siti Hasmah Mohamed Ali, and five cabinet ministers, including Foreign Minister Datuk Abdullah Ahmad Badawi. Deputy Prime Minister Datuk Sri Anwar Ibrahim, his wife, several cabinet ministers, and businessmen were also present at the airport.

The visits are at the invitation of Kyrgyz President Askar Akayev, who visited Malaysia last July, and Kazakh President Nursultan Nazarbayev. These will be the prime minister's first official visit to either country.

The delegation also includes Tun Daim Zainuddin, economic adviser to the government, four chief ministers, and 81 businessmen. The business team is led by Tan Sri Tajudin Ramli, chairman and executive director of the Malaysian Airline System.

The visit to the Republic of Kyrgyzstan will begin tomorrow and end on 18 July; the visit to Kazakhstan will end on 20 July.

Malaysia: Minister Says No Plan To Use Nuclear Power as Energy Source

BK1507094996 Kuala Lumpur Voice of Malaysia in English 0800 GMT 15 Jul 96

[FBIS Transcribed Excerpt] Malaysia has no plan to use nuclear power as an energy source despite new interest shown by several countries in the region. Minister of Science, Technology, and Environment Datuk Law Hieng Ding said Indonesia, the Philippines, and Thailand were reported to have the intention of reviewing their policies on the use of nuclear power. He said Malaysia still had an abundance of available energy sources to tap from, but she would always be alert to a possible increase in nuclear power plants. [passage omitted]

Malaysia: Islamic Party Decides To Break Off Ties With Allies

BK1407134096 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 14 Jul 96

[FBIS Translated Text] The political crisis between PAS [Pan-Malaysian Islamic Party] and the Malay Party of the Spirit of 46 or S46 has reached its peak. PAS has decided to break off ties and cooperation with S46 effective today. PAS president Haji Fadhil Nor announced this in Kuala Lumpur today.

[Begin Fadhil recording] Today, we decided to break off ties with S46 after studying the actions of S46 leaders and developments in the party. Their statements and reactions made at both the state and the central levels indicated that they no longer respect the spirit of solidarity and friendship with PAS. So the Ulama Advisory Council meeting, held on 13 July in Kota Baharu, Kelantan had unanimously decided that political ties between PAS and S46 should be cut off at all levels — central, state, regional, division, and branch levels. [end recording]

Malaysia: Razaleigh on PAS Decision To Cut Ties With Semangat

BK1507073096 Kuala Lumpur THE STAR in English 15 Jul 96

[Report by Shamsul Akmar and Shahanaaz Sher Habib — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — PAS [Pan-Malaysian Islamic Party] officially cut all ties with Parti Melayu Semangat 46 [Malay Party of the Spirit of 46] yesterday and declare it wants to rule Kelantan on its own.

The announcement by its president Fadhil Nor came at the end of the party's central committee meeting, ends their seven-year alliance.

"They have shown that they are friends who are not trusted. We have no alternative but to come to this decision."

"We have been patient with Semangat despite hoping that it will repent. However, Semangat have continued with their actions to undermine our use of our strained relations as a bargaining chip. Their attempts to rejoin UMNO [United Malay National Organization], he told newsmen.

Fadhil said PAS would expect Semangat's [executive council] members in Kelantan to quit.

"It is the only proper thing to do if they had a loss of honor and dignity," he added.

In an immediate reaction, Semangat president Razaleigh Hamzah said his party would not give up its "right to share power in governing Kelantan."

Condemning PAS' decision as "unjust" and "Islamic," he said: "Only stupid people do this. We thought they would be patient and understanding and being knowledgeable and religious people."

"But they have taken the decision unilaterally without consulting us and that is unjust," Razaleigh added.

Fadhil said PAS would leave it to the Kelantan Chief Minister Datuk Nik Abdul Razak Mat to take the necessary measures if Semangat members refused to resign.

He said the 43-seat Kelantan state assembly would be dissolved as PAS held a majority with 24 seats.

Semangat has 12, while Barisan [National Front] controls the remaining seven.

Fadhil said PAS decided to sever ties with Semangat after it had openly said it would bring about the end of the Kelantan Government.

"Its leaders had revealed Kelantan government secrets intentionally."

"And the latest was its open support for the National's candidate in the Bukit Asahan by-election, an act which can be construed as severing the alliance with us," Fadhil added.

Razaleigh, speaking to reporters after the [Women] Semangat function, said he was surprised by the decision because it was not easy to form a coalition and "just when things appear to be working and destroys this."

"Looks like power has gone to their heads," he said.

Asked if Semangat would try to seek a meeting with PAS to discuss the decision, he said: "We have our dignity and pride. All this while we had called for a discussion but they turned it all down," he said.

Malaysia: Two Years Detention for Former Leaders of al-Arqam

BK1407104796 Kuala Lumpur SUNDAY STAR in English 14 Jul 96

[BERNAMA report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Two former leaders of the banned Al Arqam movement have been detained for two years under the Internal Security Act (ISA).

Nasiruddin Mohd Ali, 37, a director of publishing firm Karya One Sdn Bhd, and Fakharuddin Ar-Razi Abdullah, 30, owner of a playschool, Sayidah, are being detained at the Kemunting Detention Centre in Perak following their 60-day initial detention under Section 8 of the ISA in May.

"They were taken to Kamunting in Taiping last week," a source said when contacted here yesterday.

Previously, Nasiruddin and Fakharuddin were detained in May under Section 73 (1) of the ISA which enables police to carry out investigations not exceeding 60 days.

Meanwhile two other former followers, Ibrahim Muhamed, 44, and Sabri Abdul Rani, 36, have been placed under restricted residence.

Yesterday, Perlis Menteri Besar [chief minister], Datuk Sri Shahidan Kassim said former followers of the banned movement have been found to be still active.

He had been informed that about 300 former followers of the movement had held a meeting in the state.

He said they had pledged to revive the movement.

On June 8, former leader of the movement Ashaari Muhamad, in a press conference, pledged that he would not revive the movement which had been banned by the government.

He made the statement as former followers of Al-Arqam were believed to be trying to revive the movement.

He urged those former members of the movement who were planning to revive Al-Arqam to abort their plans.

For the past two months, 18 people including a university lecturer in the northern part of the country had been detained for similar activities.

Cambodia

Cambodia: Paper Criticizes King's Warning to Foreigners

BK1307114396 Phnom Penh CHAKKRAVAL in Cambodian 11 Jul 96 pp 1, 2, 3

[Column by Munli: "King's Open Letter Has Caused a National Development Stalemate"]

[FBIS Translated Text] His Majesty King Norodom Sihanouk of the Kingdom of Cambodia issued an open letter dated 5 July 1996 to all foreigners present in or preparing to come to Cambodia in which he said to be careful or reduce their trips so as to avoid death or other possible dangers in Cambodia. As soon as this letter was made public, foreigners in Cambodia became greatly alarmed and gradually left Cambodia. Foreign guests planning to visit also canceled their trips. Because there has been no danger to foreigners in Cambodia to worry the king to the point of issuing such a warning, a number of government officials have been wondering why the king did so.

The Royal Government has been making all-out efforts to protect all foreigners — tourists, investors, and guests. These foreigners are happy with the Royal Government of Cambodia. They are in Cambodia to help develop the country. Why has the king issued this open letter to stall our national development? Is he using this as a pretext to attack the Royal Government — especially the Cambodian People's Party — because of recent rumors to the effect that Samdech Hun Sen does not want the king to return to the country? Is it because Samdech Hun Sen is going to visit South Korea, the enemy of the king's great friend?

Cambodia: Paper on Congress of FUNCINPEC Dissident Faction

BK1207131996 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 12 Jul 96 pp 1, 2

["This Issue's Comment" column by Meanop: "The 'Killing Party' to Kill the Prince Krompreah"]

[FBIS Translated Text] A big political event within the FUNCINPEC (National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia) party will take place on 21 July. A "killing party" will push for Prince Norodom Sirivut, who has been sentenced to a 10-year prison term on charges of attempting to kill Samdech Hun Sen's life, to replace Samdech Krompreah Norodom Ranariddh.

The "killing party" wants to expel Samdech Krompreah Norodom Ranariddh from his current post of FUNCINPEC chairman through a special congress to be held in

Paris. The organizers liken this congress to the "world FUNCINPEC congress of 17-18 December 1988 under the chairmanship of His Majesty Norodom Sihanouk."

Judging from the three agendas of this special congress, there is ample reason for calling it a "killing party". The first agenda is on the adjustment of the party statutes; the second is to elect Prince Norodom Sirivut as the new party chairman; and the third is to set the party's goals and strategies.

It is known generally that Prince Norodom Sirivut, who used to be the party secretary general, will never be willing to leave the political scene to become a convict. In such a situation, he is compelled to seek all means of getting back his political role and saving himself from imprisonment. He will even seek an opportunity to return to the democratic game in Cambodia.

Regardless of the legal aspects, the holding of this special congress by Prince Sirivut is a "killing party" that will have wide political effects, splitting the internal force of the FUNCINPEC currently headed by the prince krompreah.

In the notification letter received in Phnom Penh, the organizers announced that they are holding this special congress "because Prince Ranariddh is not honoring the promises he made before the 1993 elections and because he has lost his national ideals." The letter called on party members in Cambodia and abroad to join this special congress so as to remove Norodom Ranariddh and elect Norodom Sirivut to replace him as the new party chairman.

It is still not known how many members will be taking the plane to Paris to attend this congress or what Prince Ranariddh's opinion is, as regards the "killing party" within his party.

However, this is a sign that there are now "dissidents forming the killing party" within this big party. Regardless of whether this attempt is successful or not, the party might split up, both in terms of its internal views and its power. Moreover, if the special congress is successfully held, FUNCINPEC will be split in two: one FUNCINPEC party led by the prince krompreah inside the country and another FUNCINPEC led by Prince Norodom Sirivut outside the country. When the 1998 election comes, which of these will be the legal party?

Cambodia: Purpose of FUNCINPEC Secretary's Beijing Visit Viewed

*BK1307133596 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 10-11 Jul 96 pp 1, 4*

[Report by "A. Th."]

[FBIS Translated Text] All circles have paid keen attention to the presence of Loy Simchheang, secretary general of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia [FUNCINPEC] in Beijing in the middle of June. All assumed that Loy Simchheang went to ask the Chinese to support the royalist FUNCINPEC party and prevent it from falling before or after 1998.

Although no reliable sources confirmed that Loy Simchheang called on His Excellency [H.E.] Li Peng after paying a courtesy call on his majesty, it is believed that he must have met H.E. Li Peng and that at least the consolidation of the FUNCINPEC must have been discussed during this meeting.

Unofficial sources said that Li Peng voiced support for and promised to help the FUNCINPEC through to the end, especially to help maintain the royal family and prevent the monarchy from collapsing.

The present unfavorable image of the FUNCINPEC officials in the government is seen as the cause for a general stalemate. Some have said that FUNCINPEC should not be held responsible for the fate of the nation; that it is, rather, the Cambodian People's Party [CPP] that must be held responsible. Others have said that FUNCINPEC must at least take joint responsibility. Whatever strategy it adopts, and even with the support of China's Li Peng, it is impossible for FUNCINPEC to change the situation before 1998, because the CPP, which also holds power, has consolidated and will unswervingly maintain its political stance.

Cambodia: Paper Says Hun Sen To Visit China, South Korea

*BK1407122996 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 14 Jul 96 p 12*

[Report by Miss Thmar Da]

[FBIS Translated Text] In its noon broadcast on 12 July, National television reported that at China's invitation, Second Prime Minister Samdech Hun Sen will lead a high-level Cambodian delegation to visit the PRC from 18 to 22 July 1996.

The communique carried on national television did not elaborate on the issues to be discussed nor on the nature of the problems to be discussed during the delegation's visit to China.

According to a Foreign Ministry official, China disclosed the visit on 11 July, one day after King Norodom Sihanouk returned home. This official also said that Samdech Hun Sen has accepted the invitation and will travel to China as scheduled.

Samdech Hun Sen and the prince krompreah [First Prime Minister Ranariddh] are still in Tokyo where they attended the recently ended conference of the "Consultative Group" which pledged to provide an additional 500 million dollars [currency not further specified] to Cambodia for 1996 and 1997.

According to plans, Samdech Hun Sen will continue on to Seoul, South Korea, which established diplomatic relations with Cambodia on 15 May, while the prince krompreah will return home. Samdech Hun Sen will stay in South Korea from 14 to 18 July during which he will hold talks with the South Korean president and the prime minister. Samdech Hun Sen has also made plan to meet with South Korean investors to explain about the environment for stability and peace in Cambodia and investment opportunities in order to attract South Korean capital. Samdech Hun Sen is considered by analysts to be the architect of the Cambodian-South Korean relations.

Samdech Hun Sen will leave Seoul for China on 18 July. This is part of the friendship visit program between China and the Cambodian coalition government.

It should be recalled that in April 1996 China granted 1 million dollars in non-lethal aid to Cambodia and that the Chinese Government is considering providing training assistance to the Cambodian Government troops in the future.

Cambodia: Situation Said Created To Give Power to King

BK1407125696 *Phnom Penh SAPORDARMEAN SATHEARANAKROAT in Cambodian 9 Jul 96 pp 1, 4*

[Unattributed column: "This Issue's Comment"]

[FBIS Summary] In this 1,200-word item the paper reviews major events that have caused political tension in Cambodia over the past few months, highlighting the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] congress, at which FUNCINPEC behaved as though "it is not part of the government." The paper argues that "this irresponsible start has led to consequences the common aim of which is to hinder Cambodia's accession to ASEAN and to get international aid to Cambodia cut." It also argues that FUNCINPEC's withdrawal from the Government would lead to the demand that power be given to the king. The paper also cites other

events, such as the king's visit to France, saying that the trip "was used to cover up the secret meeting of power-hungry politicians." The paper notes that "communist China and Beijing have always supported the king."

The paper also lists other events, such as the insistence of Sam Rangsi's Khmer Nation Party to open offices in defiance of the government's order; the murder of Thon Bunli, editor of ODDAMKEAKTE KHMER newspaper; demonstrations in France and the United States; Ranariddh's indignance over efforts by the Thai prime minister to get Cambodian leaders reconciled; rumors about Pol Pot's death; and the recent trial of newspaper editor Chan Ratana. It concludes that all these events are "political games aimed at getting the international community to further witness human rights violations in Cambodia" and "to destroy international aid, which is the most important benefit for developing the country and sustaining the government, because without such aid the government would fall."

The paper adds that the "final goal is to give power to the king, or the king would become provisional prime minister. Then, power would be completely usurped and China's conditional aid would be accepted. The country would then be forced to follow the policies and ideology of Chinese communism with the king as prime minister and Khieu Samphan, Ranariddh, Sam Rangsi, and Hun Sen as deputy prime ministers. More importantly, the Khmer Rouge would return to power."

Cambodia: Paper Reports State of Rail Tracks in Battambang, Kampot

BK1407133996 *Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 14 Jul 96 pp 4, 5*

[FBIS Summary] The local newspaper REAKSMEI KAMPUCHEA in Cambodian carries, in its 14 July issue, two reports related to the state of the Cambodian railroads.

The first report, a 250-word article on page 4 by N. Sranaoh, quotes a railway official as saying that "the 48-kilometer stretch of the railroad from Sisophon to Poipet has been completely ruined." The report adds that "recently, in the area from Kon Damrei to Yeang, where government troops have taken up positions, the crushed stone has been taken from the railroad bed and piled up in heaps to sell to truckers." The author of this article also says that "according to reports, the Sisophon-Poipet stretch of the railroad was destroyed long ago. First, the army took the wooden ties to use in making trenches. Later, during the 1992-93 election, villagers living along the tracks and some government troops dismantled the rails; some were sold to Thai traders and some were taken by ship to sell in Phnom Penh; some even found

their way to Vietnam. As if this were not enough, the crushed stone is now being taken away and sold."

According to the same railway official, "the Sisophon-Poipet segment is no different from the 14-kilometer stretch between Kampot and the cement factory at Chakrei Ting, which is now almost like a rice field".

In another report, a 220-word article by Chh. S. R. on page 5, the reporter says that "the number of Khmer Rouge rebels south of the town of Battambang increased during the first and second weeks of July." The reporter cites military sources in the Moun Russey area as saying that "about 250 Khmer Rouge rebels are in the Boeng Veal-Boeng Khtoah area and the border junction of Moun Russey, Banan, and Sangke districts about 20 kilometers south of the town of Battambang." The sources also say that the Khmer Rouge rebels are currently deployed from Chhnuol to Tuol Thnong and that their objective is to put pressure on the above three districts — particularly on the railroad, which is being repaired and connected.

The reporter also cites reports by railroad officials in Battambang Province according to which "during the first 10 days of July the rebels intensified activities in small units and attacked with mines to cut the railroad in Moun Russey and Sangke Districts" and that "during this period the Khmer Rouge attacked the track with mines in 19 places, damaging nearly 200 meters of track."

Cambodia: 'Only' 4 Parties To Vie for 1997 Communal Elections

BK1507033496 Phnom Penh THE CAMBODIA TIMES in English 23-29 Jun 96

[Report by Ros Sokhet and Heng Sinit — received via Internet]

[FBIS Transcribed Text] PHNOM PENH — Only parties represented in the National Assembly will be allowed to field candidates in the communal elections next year if a proposed elections law gets the nod.

The proposed Communal Elections Law also outlines various privileges for elected commune chiefs, among which is a clause barring the police from arresting a commune chief without prior approval from the Ministry of Interior even if he is known to have committed a crime.

The proposed law, separate from an earlier bill governing the conduct of national elections, had been drafted by the ministry, its Secretary of State Ho Sok told THE CAMBODIA TIMES last week.

Copies of the draft, which contains 24 articles and seven chapters, have been sent to the co-ministers Sar Kheng and Yu Hokkri for their perusal before it goes to the Council of Ministers for deliberation.

Once the cabinet has given its approval, the draft will be sent to the National Assembly for debate.

Ho Sok said that under the proposed law, a commune chief has to be elected by the people and only the four parties currently represented in the National Assembly may field candidates for such elections.

The parties which now have seats in the National Assembly are the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] led by First Prime Minister Prince Norodom Ranariddh, the Cambodian People's Party (CPP) led by Second Prime Minister Samdech Hun Sen, the Buddhist Liberal Democratic Party and the MOLINAKA [Cambodian National Liberation Movement] party.

Ho Sok said candidates in the communal elections will have to be at least 25 years of age and residing in the commune which they wish to represent.

Candidates will only know whether they have won 15 days after the elections are conducted, when the ministry has checked and confirmed the results.

Ho Sok said the newly-elected commune chief will then be authorised to appoint three deputies, but these appointments will have to be approved by the provincial governor within 30 days.

The names of the three candidates for deputy will be sent to the provincial governor through the district chief.

The newly-elected commune chiefs will take their oath of office before their respective district chiefs.

Ho Sok said the ministry will also appoint a secretary for the commune.

Under the proposed law, the commune chief has the same rank as the deputy chief of district, while the post of first deputy chief of commune is equivalent to that of a district's administrative office chief.

The second and third deputy chiefs of commune share equal rank with the deputy chief of a district's administrative office.

The mandate of a commune chief is valid for four years at the end of which new elections will be held.

Ho Sok said the draft of the proposed law also specified the responsibilities of the three deputy chiefs.

He said the first deputy will be in charge of the commune's finances, economic development, information

and the registration of economic resources in the commune.

The second deputy is in charge of security and public order while the third takes charge of social and cultural affairs, education, sports, health, sanitation and the environment.

The commune secretary will assist the chief in general administrative affairs.

Ho Sok said that under the proposed law, the commune chief may not be detained or arrested until permission has been granted by the ministry.

He said a commune chief also may not be suspended until he is convicted of a crime.

The communal elections have been scheduled for next year. Most of the 1,200 commune chiefs now are CPP members who were appointed to their posts by the State of Cambodia government before the UN-sponsored national elections in 1993.

The positions of commune chiefs, seen as essential for a party seeking grassroots support, have become the focus of a power-sharing row between the FUNCINPEC and CPP.

At the FUNCINPEC congress in March, Prince Ranariddh had alleged that the CPP had reneged on an agreement to share power at the district and communal levels — a deal, he said, that was made before the 1993 elections.

The prince had even threatened to pull his party out of the coalition government if the issue was not resolved soon.

The CPP had initially refused to budge on the issue, even going to the extent of stating that negotiations were out of the questions.

However, both parties have since softened their stands, and talks have been proposed. Leaders of both parties have met but the issue remains unresolved.

Cambodia: New Legislation To Bar Army Personnel From Politics

BK1507040496 Phnom Penh THE CAMBODIA TIMES in English 23-29 Jun 96

[Report by Chheang Sopheng — received via Internet]

[FBIS Transcribed Text] PHNOM PENH — A proposed legislation, barring armed forces personnel from direct involvement in politics, has received the approval of the Royal Government of Cambodia.

The new law is expected to be sent to the National Assembly for debate soon, as the kingdom prepares for the next national elections scheduled for 1998.

The new legislation had been drafted by the Ministry of Defence and was approved by the Council of Ministers last Wednesday.

When the new law is passed, all armed forces personnel will have to stay out of politics, said Co-Minister of Defence Tea Chamrat.

However, they will be allowed to join political parties and contest in the next national elections if they quit the armed forces, he told the Cambodia Times last week.

The new law, when passed and implemented, will force several top officers in the Royal Cambodian Armed Forces (RCAF) to choose between their military careers and their political ambitions.

Among them are Tea Chamrat himself, a lieutenant-general. Although not a member of the National Assembly, he is in the steering committee of the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], a major partner of the ruling coalition government.

The other Minister of Defence is Tie Banh, [punctuation as published] also a lieutenant-general and a member of the Cambodian People's Party (CPP) steering committee, the second largest party in the government. Tie Banh is also the member of parliament for Siem Reap.

Current legislations do not bar the armed forces personnel from active participation in politics and most top officers of RCAF are either members of one political party or another or are staunch supporters of certain parties.

Other senior politicians who are also RCAF officers include Chay Sangyun, a Co-Secretary of State in the Defence Ministry.

Chay Sangyun, also a lieutenant-general, is a member of parliament of the CPP.

The Royal Armed Forces Chief of Staff, Lt-Gen Ke Kimyan, is a member of the CPP while his deputy, Lt-Gen Nhoek Bunchhai, is a FUNCINPEC steering committee member.

The decision of the government to approve the proposed legislation came just over a week after First Prime Minister Prince Norodom Ranariddh called on the RCAF to remain neutral and not to indulge in the interests of any group or political party.

The prince made the comments when he attended the opening ceremony of a three-day meeting to review military activities on June 11.

He added that the armed forces should, instead, concentrate their efforts in reinforcing and developing national defence.

Tea Chamrat said the new law, comprising 50 articles, will bar armed forces personnel at all levels from joining political parties.

Ek Sereivoat said the new law will also require RCAF officers to give up their party positions and their seats in the National Assembly if they wish to continue with their military careers.

He said the ministry will hold a seminar to inculcate a sense of neutrality among military personnel and to make them understand the need for them to stop attending political meetings and to show support for political parties.

He noted that in most democratic countries, the military is not involved in politics and does not support any party.

"The military just stays neutral and works only for the government," he said.

Defence Ministry spokesman Colonel Chum Sambat, when voicing his support for Prince Ranariddh's call, told the Cambodia Times that the RCAF has to stay neutral when the next elections are held.

He noted that several high-ranking military personnel are also in the government and they will have to give up their military positions if they wish to contest in the elections.

He also pointed out that Prince Ranariddh and Second Prime Minister Samdech Hun Sen are also top commanders and generals.

The RCAF now has 130,000 active personnel. The latest statistics from the Ministry of Defence show that there are 23 lieutenant-generals, 49 major-generals, 105 brigadier-generals, 301 colonels, 642 majors and 1,908 captains.

Indonesia

Indonesia: Effect of PDI Crisis on the Rupiah Viewed

98SE0087B Jakarta SUARA PEMBARUAN
in Indonesian 28 Jun 96 Internet p 0

FBIS Translated Text) *The Rupiah and the PDI Crisis: Analysis by Theo F Toemion* In his welcoming speech at the Indonesian Capital Markets Forum held in Jakarta on Wednesday (12 June), the Governor of the Bank of Indonesia (BI) said that the upsurge in the use of debt instruments over the last two years has placed the BI in a difficult position.

Many companies have been trying to obtain funds through loans by issuing shares on the stock market. The sale of commercial paper, FRN (floating rate notes) and bonds both domestically and abroad has also been developing.

This is a disintermediate phenomenon. In other words, the business world has been trying to obtain capital outside the banking system by, among other things, selling debt instruments. In the past, the banking system and the capital markets were separate, but now conditions have changed.

Nowadays, the banking world is more and more involved in capital market activities. Along with that, international economics is becoming more and more open. Foreign capital is rapidly entering Indonesia and cannot be prevented from doing so. "That puts pressure on the management of the rupiah and on domestic monetary management," he said.

In other words, the entrance of foreign capital resulting from the use of those debt instruments increases the amount of money in circulation. In addition, short-term funds have also been emerging as a result of high domestic interest rates. In 1990 it was easy for the monetary authorities to dampen the growth of money in circulation, but now it is hard to do so due to the entrance of foreign funds.

"Such pressure on Central Bank monetary management will continue to increase with possible large-scale withdrawal of funds by foreign parties," said the Governor of the BI. The following conclusions can be drawn from the Governor's welcoming speech.

The globalization of the international economy has caused a rapid flow of foreign capital into Indonesia and this cannot be prevented. There has been an upsurge in the use of money market instruments and capital, particularly in debt instruments, in the global marketplace by the Indonesian business community.

A lot of short-term funds have entered Indonesia as a result of high domestic interest rates. This has put pressure on the monetary management of the Central Bank (BI), especially concerns that there will be large-scale withdrawals of funds by foreign parties.

Proactive and Preventive

Realizing that the BI's position is becoming more and more difficult and to avert pressures on the management of the rupiah and on Indonesian monetary management, the BI has recently taken many proactive and preventive steps, which are perhaps related to those concerns of the Central Bank. According to my notes, the steps taken include the following:

Regulation of trade in commercial paper. The suggestion that BUMN [state-owned companies] issue bonds as a benchmark for long-term rupiah interest rates.

Plans to issue Republic of Indonesia bonds in the United States, which it is hoped will become a benchmark for loans taken out on better terms by Indonesian companies in U.S. capital markets.

In particular, to avert large-scale withdrawals of funds by foreign parties and to avert rumors of devaluation, the Bank of Indonesia has signed \$500-million stand-by loans from several international financial institutions.

To avert speculation in the rupiah, the BI has widened the intervention foreign-exchange rate spread from 66 rupiahs to 118 rupiahs.

The BI has entered into bilateral repurchase agreements with fellow ASEAN central banks in Hong Kong, Taiwan and Australia, if the rupiah is attacked.

How effective have these proactive and preventive steps taken by the Bank of Indonesia been? They still need to be tested.

Thank God, Indonesia was all right in the Mexican special test at the beginning of last year and at tests from time to time concerning rumors of devaluation and concerns about current transaction deficits, even though with such rumors there was the chance that the BI would lose hundreds of millions of dollars.

However, we must remember that in addition to the fundamental and technical factors mentioned above, equally important are the psychological factors which must be guarded against. What are those psychological factors? Pressures on rupiah and monetary management, since currency shock can also be caused by psychological factors.

According to the theory of foreign exchange, examples of those psychological factors are a change of government or democratization within a country, or the existence of social disorder or domestic insecurity. Psychologically, such factors can influence foreign investors or capitalists to withdraw short-term capital from a country or produce capital flight by domestic capitalists for reasons of save heaven [safe haven].

Stories

If such a thing occurs in a country—not impossible as a result of capital flight—it will cause overnight interest rates to skyrocket. And if matters beyond the control of the foreign exchange spread occur, any amount of intervention will collapse and a rush on the dollar will take place. Foreign exchange reserves, which a nation has nurtured through hard work, can drain away,

confidence in the rupiah can disappear, the business community will be confused, exports will come to a halt, and so forth. Let's hope these are just stories.

The Indonesian flag is now flying on a number of traders' and dealers' tables in several big banks' dealing rooms in world-class financial centers, such as Singapore, London and New York.

In recent days, the mass and electronic media, such as CNN and CNB, have been discussing the PDI [Indonesia Democracy Party] crisis. In the eyes of traders and dealers in foreign exchange and world money markets, Indonesia is susceptible to rumors, such as those about the PDI crisis. Many foreign investors have begun to ask about democratization in Indonesia because in the experience of most world traders and dealers it is always safer to invest in a democratic country.

At the present time, what the world financial community needs is a clarification of those issues; let's not keep them guessing, which could cause a world-wide speculative attack on the currency. An antidemocratic process is always very expensive.

The writer is a monetary observer with experience as a trader in the United States and in several countries in Europe and Asia.

Indonesia: Economist Urges Reduction in Foreign Loans

96SE0086A Jakarta KOMPAS in Indonesian
24 Jun 96

[Article by Kwik Gian Gie. Received via Internet]

[FBIS Translated Text] For Indonesia, the role of foreign loans and foreign loan policy, is very great. It is so great that no one can deny that foreign loans have become an important pillar of economic development under the New Order. Foreign loans are a main pillar, not a supplementary one.

There are three main pillars of Indonesian economic development. The first is oil. The second is natural resources, and the third is foreign loans.

The physical development progress that we witness everywhere—skyscrapers and infrastructure in the form of bridges, flyways, irrigation, etc.—are the results of the transformation produced by oil, forests, and foreign loans.

What I write about here is the reality. Normatively, it is always said that foreign loans are supplementary. If we state foreign loans in percentage of the development budget however, it then becomes a polemic. What

percentage of the development budget is supplementary, and what percentage is a main pillar?

Apart from deciding the exact measure for percentage that is supplementary and percentage that is a main pillar, the cumulative amount of foreign debt never declines. The total has risen steadily to more than \$100 billion. With this total, Indonesia has become the biggest debtor nation in the world, along with Brazil and Mexico. Many people are nervous. Such great indebtedness naturally makes the payment burden heavy. The economic indicator is the debt service ratio (DSR), which should be a maximum of 20 percent. Indonesia's DSR is more than 30 percent. We see then that the big problem giving a headache to managers of our monetary affairs and the macroeconomy is the bloating of the current account deficit. If we examine it, we see that the interest payment component, which is in the category of imported services, is very large.

Therefore, many people are nervous about the foreign debt. Its absolute total is very large. The DSR is large, and its share of the current account deficit is also large.

How could it grow in that way? We do not need to be surprised if we have been studying the APBN [National Budget] every year. The overall APBN, which is the routine budget combined with the development budget, always has a deficit. This deficit is covered by foreign loans. With foreign loans, the entire budget is balanced. "A dynamic and balanced budget" is always included in the GBHN [Broad Outline of State Policy]. The government must conduct development. When all these things are combined, our economy, following the development pattern used since 1966, has never changed: It needs foreign loans every year.

Normatively and rhetorically, we may say that foreign loans are supplementary. However, the government's unwillingness to slow development even a little requires a development budget that it could not possess with the government's own strength. Therefore, the foreign loans provided by the IGGI/CGI [Intergovernmental Group on Indonesia/Consultative Group for Indonesia] are needed every year.

The feeling that we need to reduce our dependency on foreign loans has existed for quite a long time. This year, however, those voices have become more serious. Prof. Sumitro Djojohadikusumo, among others, has called on us to reduce foreign loans. Minister of Finance Mar'ie Muhammad, too, said several days ago that foreign loans will be reduced.

What are the actual reasons why it needs to be reduced? Is it merely a nationalistic feeling that we do not want to depend on foreign sources, or is there a tangible

objection? In my opinion, the tangible thing is that if the debt payment burden, particularly interest payments, becomes heavy, it is the same as if we were working hard for the prosperity of other countries. Domestic debts are different. In the case of domestic debts, interest and installment payments on the principal paid by the government to Indonesian creditors come from the Indonesian people themselves. In other words, people are taxed, but the same people enjoy interest revenues. Thus, if we look at our nation's economy, expenditures from the left-hand pocket are for the right-hand pocket of the same coat.

The theory also says that the debt burdening future generations does not apply to domestic debt. It applies to foreign indebtedness. Future generations must work hard to pay interest that disappears overseas to become the income of other countries. As for domestic indebtedness, it is true that future generations are burdened with paying taxes to pay the interest, but those among the people who inherit government bonds are the ones who will enjoy the interest. Therefore, if we look at our nation in a comprehensive way, money goes out of the left-hand pocket into the right-hand pocket. In the case of foreign indebtedness, purchasing power leaves the Indonesian people to be enjoyed by other nations.

There is another aspect of foreign loans that is not discussed very often. Interest and installments on foreign loans must be paid in foreign currency, which has the effect of reducing or draining foreign exchange reserves. That is no problem if the country involved is able to earn foreign exchange by its own strength, since its exports will always be a surplus in comparison with its imports. Indonesia is not like that. Foreign exchange revenues for important things come from foreign loans. Thus, if we compare figures, we see that interest and installment payments on foreign loans are greater than new debts. We have fallen into the situation of robbing Peter to pay Paul. Fortunately, this has been helped recently by the inflow of foreign capital.

It is the feeling that the time has come for policymakers and representatives of the people, especially in the 1998 MPR [People's Consultative Assembly], to think about this foreign indebtedness in a very basic way. It is not merely a matter of feelings of national pride, but it is tangible and economically substantial.

After being nursed for so long by the IGGI/CGI, is it not time for us to improve our ability to earn adequate foreign exchange ourselves? Is it true that a deficit APBN covered by foreign loans can be called a balanced budget in the sense of its macroeconomic implications? Is it true that the budget must be dynamic and balanced? Is it true that to be called dynamic it must steadily

grow? Can it not be constant, and can it not decline? Is the budget not an important instrument for managing and influencing economic ebbs and flows, or "business cycles" and "conjunctures"?

There is a feeling that the economic development model, constant since 1966, that uses foreign loans as its mainstay needs to be totally revised. Coordinating Minister Saleh Afiff presented several dilemmas on 22 June. Among other things, he asked whether development might be reduced. There are indeed times when that must be done. There are indeed times when the APBN for a certain year must be smaller than in the previous year. We should be able to think with a "zero base." We should free ourselves from all the fetters of dead dogmas and doctrines. We must lay all our options on the table. We must put together an optimal "instruments mix."

Because foreign loans have very much become a part of the structure of our economic life, we need to lay out all the options in seeking new development capital. As we free ourselves from the fetters of axioms and doctrines that have become routine rituals, the position of foreign loans constitutes the big part of the study.

Indonesia: Megawati Plans To Petition Suharto on Election Candidacy

BK1607073296 Jakarta THE JAKARTA POST
in English 16 Jul 96 p 1

[Unattributed report]

[FBIS Transcribed Text] Jakarta (JP) — Embattled chief of the Indonesian Democratic Party (PDI) Megawati Sukarnoputri is going to the top in her fight against Suryadi, who ousted her in a government-backed rebel congress last month.

Megawati is taking her grievance to President Suharto in his capacity as the coordinator of the 1997 general election. It concerns the General Elections Institute's decision to allow Suryadi to draw up a list of PDI candidates for the House of Representatives and lower provincial legislative councils elections next year, according to Megawati loyalist Haryanto Taslam yesterday.

Last week the institute gave Suryadi's camp the necessary forms for the procedure, despite Megawati's protests and statement that she was preparing her own list of candidates.

Haryanto, who is the deputy secretary-general of Megawati's faction, decried the institute's decision. "What the institute did was unlawful. We are going to issue notes of protest to President Suharto."

A delegation of five members of Suryadi's board led by secretary-general Buttu Hutapea, collected the 850 forms from the institute last Wednesday.

Haryanto said the institute should not have given the forms to the delegation as they did not have a mandate from "the legitimate PDI central board", namely Megawati's board.

Haryanto went to the institute yesterday to pick up the forms, but returned empty-handed. Yesterday was the last day for the three political contestants - the dominant Golkar (Functional Group), the Moslem-based United Development Party and PDI to pick up the forms.

Haryanto was received by deputy spokesman Sumaedi who claimed that the institute had actually sent a letter to Megawati requesting that she come and pick up the forms.

"That letter never reached us," Haryanto said.

The government and the military have recognized Suryadi and the board set up by the congress as the lawful PDI leaders, and decided to bar Megawati's faction from taking part in next year's general election.

Megawati's faction has been holding on to the party's headquarters on Jalan [Road] Diponegoro in Central Jakarta while Suryadi and his camp have set up a temporary headquarters at his official residence on Jalan Denpasar Raya in South Jakarta. Suryadi, however, has been using letterheads with Jalan Diponegoro as his party's address.

Meanwhile, Megawati's younger brother Guruh Sukarnoputra called on her supporters to continue their "struggle for the truth, justice and democratization of the party and the country."

"I support Megawati not because she is my sister, but because of the truth and justice she is fighting for," he said in Yogyakarta yesterday.

In Jakarta, 1,100 Megawati supporters, arriving in two separate groups, held a noisy demonstration outside the General Elections Institute building, demanding the government recognize Megawati and nullify the results of the rebel congress.

Clad in the party's red and black colors, the protesters demanded the institute withdraw the 850 forms it has given to Suryadi's camp.

In Tangerang, some 30 kilometers west of Jakarta, the PDI's Tangerang regency branch issued a petition supporting Megawati and rejecting the rebel Medan Congress. The PDI branch in Tangerang mayoralty issued a similar petition on July 7.

Both petitions have been sent to Megawati's headquarters.

Separately, political observer Riswandha Imanan called on the government and the Armed Forces to handle the PDI crisis with care for fear of possible threats to the nation as it gears up for the general election next year.

"Some political opportunists might appear and try to manipulate the situation for their own interests," he said.

Indonesia: Government Disavows Megawati as PDI Leader

96SE0087A Jakarta KOMPAS in Indonesian
28 Jun 96 — received via Internet

[FBIS Translated Text]

The Government Will Disavow the PDI [Indonesian Democracy Party] DPP [Central Executive Committee] headed by Megawati

[Soetardjo Soerjogoeitno: Unilateral Action, A Bad Example]

The government will disavow the PDI DPP headed by General Chairman Megawati Soekarnoputri because the government only recognizes the DPP headed by Soerjadi, which came out of the congress held in Medan last 20 to 22 June.

However, the government denied that this decision was taken because it did not want Megawati Soekarnoputri to lead the party whose symbol is a picture of a buffalo.

The only reason that the government has decided to disavow the DPP headed by Megawati is that the government thinks that the legal DPP is the one that resulted from the congress. And the congress elected Soerjadi.

Director General of Sociopolitical Affairs of the Department of Internal Affairs Sutoyo NK, representing Minister of Internal Affairs Yogie SM, made those statements at a press conference held after the ministerial-level Politics and Security Coordinating Meeting (RAKOR POLKAM) on Thursday (27 June). Meanwhile, Coordinating Minister for Politics and Security Soesilo Soedarman, who accompanied Sutoyo NK, said that from now on attention must turn to Soerjadi, general chairman of the DPP which came out of the congress.

Chairman of the DPP Soetardjo Soerjogoeitno said he regretted Sutoyo NK's statement. He said the statement is a unilateral act and sets a bad example by a government official.

Legal Basis

Sutoyo NK said that the government has been holding fast to the legal basis and the legal basis is what came out of the congress. That is why the government will disavow Megawati Soekarnoputri. "That's the way it's been since the beginning, since the congress was being organized, the government has thought that there is only a single DPP. The majority wanted a congress, and after the congress was over we still thought that there was only a single result of the congress and also only a single group carrying out the congress. Now the congress has produced a new leadership, has revamped the AD/ART [by-laws] and has formed bodies mandated by the National Congress. That's what (the government - editor) thinks is the legal outcome," he emphasized.

When asked about Megawati and her associates' plans to bring suit, Sutoyo NK said, "If they want to sue, that's their right, let them go head. The government is ready to face that suit. In a separate statement, ABRI [Indonesian Armed Forces] Commander in Chief Army General Feisal Tanjung also said the same thing.

Yesterday afternoon Chairman of the 1993-1998 DPP Soetardjo Soerjogoeitno can [as published] said that he regretted the statement that the government will disavow the DPP led by Megawati Soekarnoputri because it came from a government official who understands the political rules of the game in Indonesia.

"I regret that statement. It's a unilateral action, and it sets a bad example by a government official. He should know that the PDI congress wasn't legal," said Soetardjo at a press conference held at the DPP Secretariat Office at 58 Diponegoro Street.

Even though the government has said that it will disavow the DPP headed by Megawati, Soetardjo stated that a number of branches, beginning with branches in Central Java, are now preparing for branch and regional conferences to crystalize the leadership of the DPP.

"This is to carry out the third order of the day of the general chairman of the DPP. The response has been very good. So, the letters that have been coming in show that they not only do they not recognize the congress and support Megawati's leadership, they also demand that the DPP relieve those who attended the congress in Medan of their duties," said Soetardjo, who was accompanied by Deputy Secretary General Haryanto Taslam.

In fact, Soetardjo said that even though it has not been recognized by the government, the 1993-1998 DPP is also preparing a list of interim candidates for the legislature.

No Response Yet

General Chairman Soerjadi of the DPP which resulted from the Medan congress said at a press conference yesterday that there has been no response yet to his request to have an audience with President Suharto, Vice President Try Sutrisno, Minister for Internal Affairs Moh Yogie SM and Armed Forces Commander Army General Feisal Tanjung.

"Some time ago we submitted a request for an audience to report on the results of the congress, but we haven't gotten any response yet. Let's hope there's a response next week," Soerjadi, who is also Vice Chairman of the MPR/DPR (Parliament/People's Consultative Council) of the Republic of Indonesia, told reporters at his official residence in Jakarta.

However, when Sutoyo NK was asked about that after the RAKOR POLKAM, he said that the minister for internal affairs will meet with the DPP as soon as there is a request to do so. "When they submit a request to meet the minister for internal affairs, we will get ready to receive them," he said.

Minister of State and State Secretary Moerdiono, who was approached separately, had no comment when he was asked when President Suharto would be ready to receive the leadership of the DPP which came out of the congress. He only said, "As of today, I haven't seen any request for that."

On the same occasion Soerjadi said that the DPP which he is heading cannot yet work as it should to carry out the party programs which came out of the congress because there still are a number of problems, including the fact that several of the leaders are still out of their regions after the congress was organized, and also that some members of the PDI have not yet been able to accept the results of the congress.

"It's only natural that they are still upset and are not yet able to accept the results of the congress. We still need to be patient in order to overcome that," said Soerjadi.

He stated that his group still needs to be patient about immediate occupation of the DPP offices located at 58 Diponegoro Street, Central Jakarta, which are now occupied by the DPP headed by Megawati. "Those offices are a gift from President Suharto to the DPP. Of course the DPP which is recognized by the government is the one which will be located there. But the offices are not the first priority for us. We can still operate without the offices on Diponegoro Street since we are still patient. But we don't know how long we can be patient. We haven't asked for ABRI's help in occupying the offices. But if somebody helps us, we will thank them," he said.

In response to a question on how long his faction would allow the DPP offices to be occupied by Megawati and her supporters, Soerjadi said, "It can't be done in one or two days, all those problems will be solved in the best possible way on an amicable basis," he said.

He acknowledged that although it hasn't been easy, he has begun a dialog with Megawati's group, but so far there haven't been any results and that more time and an intensification of the dialog are needed for them to accept the outcome of the congress.

Not Prepared

Yesterday Soerjadi also said that he apologized to I Gusti Ngurah Sara and Syafei Ali Gumay, who apparently were not prepared to be recruited into the new DPP. "I apologize if they think that their names were included arbitrarily. Basically, when the committee chairman makes appointments, statements from the appointees that they are prepared to be appointed are not required. Everything is voluntary, but if you're not prepared to volunteer, it doesn't matter," said Soerjadi in response to Sara and Syafei's position that they are determined to remain loyal to Megawati.

Soerjadi said that Soetardjo and Suparlan (both Megawati supporters) would be put on the general election organizing committees, i.e., the Indonesian Election Committee (PPI) and the General Election Oversight Committee (PANWASLAK), in so far as these will be maintained, unless they declare that they are not prepared to occupy those positions.

In response to a question about Megawati's lawsuit through legal channels, Soerjadi said that she should just go right ahead if that's what she wants; he's ready to face it.

Account Number Changed

Meanwhile, PDI officials at DPP offices on Diponegoro Street have been receiving help in the form of supplies, money, food and drink. "In fact, we've never even been short of bottled water," said Haryanto Taslam.

Most of the people sending help asked to remain anonymous. But his group has never been short of consumables since the beginning of June," said Haryanto.

He said that the Veteran Street Branch of the BRI [Bank Rakyat Indonesia] has received a lot of battle funds from PDI sympathizers. But the funds received had to be returned to the senders since the account number has changed.

"The account number, which used to be 001.281-0010, has been changed to 31-46-0496.1," said Taslam. He denied that the change in the account number was part

of an effort to sabotage efforts to provide support funds for PDI battles.

Following Instructions

On Wednesday afternoon (26 June) the PDI's Semarang DPC [Branch Executive Committee] organized a branch conference and membership solidarity meeting at the office of the secretariat of the PDI's Barusari Semarang DPC, following instructions from General Chairman of the DPP Megawati Soekarnoputri issued on 23 June.

Vice Chairman of the old Semarang DPC (before the branch conference) Willem Tutuarima told reporters yesterday that the branch conference was organized to demand an accounting from DPC Chairman Danang Soewito, SH [Master of Laws] and DPC Secretary Yusak L. Sudiono, who surreptitiously went to Medan to attend the congress without the support of the members of Semarang's PDI. Attended by all KORCAM [Subdistrict Coordinators] and KORDES [Village Coordinators] from the entire municipality of Semarang, the branch conference dismissed the old DPC leadership and at the same time formed a new leadership. The new leadership is headed by Ismoyo as chairman of the DPC, Tugiran Kusumo as secretary and Santoso Kusumo as treasurer. The new leadership was mandated by all KORCAM and KORDES to consolidate the organization to achieve success in the 1997 general elections and MPR's 1998 general session.

Central Java Regional Chief of Police Maj Gen (Police) Drs Harimas AS stated yesterday that the most pressing problem requiring attention from all parties is the PDI problem, which must be watched closely so that it does not produce instability and demonstrations which lead to criminal acts, including vandalism, mob action, etc. "The police will continue to take action against every violation and criminal act carried out by anybody," emphasized the regional chief of police.

Into the Streets

Yesterday hundreds of members of the Sidoarjo PDI took to the streets as a way of showing their support for Megawati Soekarnoputri. The crowd began to gather at the Heroes' Cemetery (TMP) on Yos Sudarso Street around 10 am and was preceded by a group prayer.

At first, they intended to move to the resident's office, but they then moved by truck to the East Java DPD [Regional Executive Committee] headed by Engineer Soetjipto. DPD Chairman Engineer Soetjipto warned them not to be violent or to do anything destructive so as to maintain the PDI's good name. This was in order to avoid any accusations or claims from society at large

even if after a thorough investigation it turns out that it was not the PDI that was doing anything destructive.

Indonesia: Special Forces Expanded; Commander Promoted

96SE0086B Jakarta KOMPAS in Indonesian
25 Jun 96

[Received via Internet]

[FBIS Translated Text] *Editor's Introduction: Barring any obstacle, on Tuesday, 25 June, Chief of Army Staff (KSAD) General R. Hartono will make official the expansion of the Army Special Forces Command (KOPASSUS). The number of personnel and the structure of KOPASSUS will change, and KOPASSUS will be led by a commanding general (DANJEN) with the rank of major general. In this regard, KOMPAS last week interviewed Brigadier General Prabowo Subianto, KOPASSUS commander, at Command Headquarters in Cijantung, East Jakarta, to talk about the expansion of the command he leads and a little about himself.*

Prabowo Subianto, who has occupied the post of KOPASSUS commander since 4 December 1995, will soon have the rank of major general. This means that in a period of less than a year, this fourth child of economist Prof. Soemitro Djojohadikusumo will have been promoted twice. When he accepted the post of KOPASSUS commander on 4 December 1995, he still had the rank of colonel.

As KOPASSUS commander, he was promoted to brigadier general, and now, as commanding general of KOPASSUS, the star on his shoulder will be increased to two.

Compared with his colleagues in the same class, the career progress of this 1974 graduate of the National Military Academy (AMN) has been rapid. He was the first to obtain one star.

Many people connect Prabowo's ascending career in ABRI [Indonesian Armed Forces] with his status as son-in-law to President Suharto. Prabowo married Siti Hedyati Hariyadi (Titiek) in 1983, and they have one son, Ragowo Hedi Prasetyo.

If followed carefully, however, Prabowo's promotions have not been exceptional. He earned the rank of brigadier general at the age of almost 44, more than 20 years after graduating from the AMN. That puts him the normal category, because there are others who achieved it more quickly. General, retired, Benny Murdani, a former ABRI commander, earned one star at the age of 37, and General, retired, Edi Sudrajat, minister of defense and security, earned the rank of brigadier general at the age of 41.

Let People Evaluate

Prabowo, who was born in Jakarta on 17 October 1951, does not see his status as the president's son-in-law as something that makes him special or that is a burden to him in performing his daily duties.

"My status as the president's son-in-law does not make me special, and, on the other hand, it is not a burden to me in my actions. My intentions are good. As a soldier, I always try to work hard. I want to do my best for my nation and for my service, and I leave the evaluation to other people," Prabowo said last week.

He added, "Because of my sense of responsibility, I work as hard as possible for the Indonesian state, people, and nation. I leave the matter of evaluation to other people. For me, the important thing is my conscience. If at some moment I am no longer a soldier, I will be able to say to myself that I did my best."

Following are excerpts from the KOMPAS interview with Brig. Gen. Prabowo Subianto about the expansion of KOPASSUS.

[KOMPAS] What is your plan after KOPASSUS is expanded?

[Prabowo] Before answering that question, I want to underline that I prefer the term "reorganization of KOPASSUS" rather than "expansion of KOPASSUS." After the reorganization, my plan is to continue to strive for operational readiness by all forces under KOPASSUS, so that when asked by superiors, KOPASSUS will be able to complete assigned duties. I think that is the main thing. Thus, there will be constant improvement of professionalism and skills and maintenance of morale.

[KOMPAS] It is your opinion that the ideal thing for a special or elite force is to be small and have tremendous strike power. Why then is KOPASSUS being expanded?

[Prabowo] The matter of big or small is relative, particularly when compared with neighboring countries. Thailand, which has a much smaller population and area than Indonesia and has no domestic security disruptions, has a special force of 10,000 men.

The additional strength (reorganization) for KOPASSUS is still relatively small, when compared with our population, the area we must defend, and the security disruptions we must face in Aceh, Irian Jaya, and East Timor.

Moreover, KOPASSUS has its uniqueness. KOPASSUS is not only a special force but is also responsible for training all Army airborne forces. KOPASSUS also must often train troops from the KODAM's [military area commands] and troops from neighboring countries.

With this additional strength, we hope KOPASSUS will be more effective. Because of the reorganization, KOPASSUS will be able to conduct an effective development cycle. We hope that with the additional strength, one-third of our strength can be on duty, one-third in training, and one-third in consolidation.

I remind you that special force soldiers are also ordinary people. They also need rest, leave, medical care, time with families, and time with wives and children. I think it would be very unfair for a special force soldier to be on duty continuously for years without consolidation.

At this moment, many KOPASSUS soldiers are on duty. They are to be pitied if there is no increase in personnel. I once checked a noncommissioned officer, a man of mine, in Irian. He had been in 11 military operations. You can get the picture. A noncommissioned officer works for about 16-17 years. During about 10 of the 16 years, he was not with his wife and children. Military operations usually last from six months to a year, sometimes longer. Therefore, it can be said that for about 8-10 years he was not at home. He did not complain at all. I was moved by that and reported it to superiors.

In addition, the increase in KOPASSUS personnel is in line with trends in post-Cold War security matters throughout the world. If we look at NATO and the United States, we see that they have reduced their armored forces but continue to maintain their special forces. Germany has reduced its army by almost a half but is now going to form its own special forces. Until now, German special forces were a part of its airborne division. I remind you that in the 1980's the strength of KOPASSUS was very much greater than the KOPASSUS strength resulting from this 1996 reorganization.

[KOMPAS] Are you convinced that the role of special forces will become even greater in the future?

[Prabowo] The end of the Cold War shows that conflicts that emerge are "low-intensity conflicts." We see everywhere that what are arising are guerrillas, hostage-taking, and terrorism. That is what we anticipate.

Because these special forces are very light, their deployment is not difficult. An armored brigade is hard to move as quickly as a special force battalion or a special force company. With the weapons technology we now possess, the combat power or strike power of special force units is truly very great.

[KOMPAS] What are the results of the evaluation of the recent military operation against terrorists in Irian Jaya?

[Prabowo] I think there are still very many things we must improve. We have learned many lessons from that operation. We are increasingly convinced that the orientation of our training and development is right. We possess certain capabilities that ultimately were proved successful in the field. We will use that experience to continue improving the quality of all our soldiers. We also have improved our self-confidence.

Frankly, people have always been unnerved by the high technology and elegance of the equipment of the industrialized countries. I admit that at first even I was influenced, as were many of my fellow officers. What I saw in the recent operation, however, is that in the end the enthusiasm, loyalty and tenacity of soldiers are the things that give success. Frankly, I am very proud of our soldiers.

Indeed, they may still be very plain in many things, but I recently saw that their determination is very great. If they are led rightly, they can accomplish things we could not have guessed. Therefore, in the end I also learned much from the recent operation.

[KOMPAS] The recent military operation against terrorists in Irian Jaya also involved troops from other units. What about their performance?

[Prabowo] We are all in ABRI, are we not? I think it is something outdated for us to think in terms of compartmentalizing. Military operations must now be joint operations. There must be a synergy, so that other units can benefit from the superior qualities possessed by KOPASSUS. On the other hand, KOPASSUS can benefit from the superior qualities of other units.

Take the example of several Trikora soldiers. They had more control of the field. They knew the situation better and better used the language of local inhabitants. If we operate together, there will clearly be value-added. I do not think there is an operation that can be conducted alone, especially by special forces. Special forces greatly depend on other units and services. The nature of special forces operations is to be able to infiltrate behind enemy lines. That means we must work with other services and units. All special operations are operations involving many elements. They cannot be conducted by KOPASSUS alone.

Philippines

Philippines: Siazon Views Ties With Singapore ASEAN Meeting

BK1607102396 Singapore THE STRAITS Times in English 16 Jul 96

[Report by Nirmal Ghosh — received via]

[FBIS Transcribed Text] Philippine Foreign Minister Domingo Siazon will fly to Jakarta with Foreign Minister Professor S. Jayakumar this week for the ASEAN Ministerial Meeting. The flight is the two ministers will be leaving the rowd Contemplacion episode firmly behind them.

The Philippines is rediscovering areas of common interest with Singapore. Their bilateral relationship is a late starter and just warming up while the Contemplacion issue last year stopped it in its tracks.

"We have many areas of common interest," Siazon said in an interview with THE STRAITS TIMES. "Of all, as partners in ASEAN, our objective is to ensure our political and security conditions are stable."

He added: "Right now, we would really like to do more with Singapore with respect to trilateral arrangements with China. Singapore has greater experience with us, and long experience in dealing with Hainan."

"We have just established a sister relationship between Cebu and Hainan. There are many things we can do together in terms of Hainan and China, and Singapore."

There are other areas of cooperation, Siazon said. "We've also had some joint military exercises. It's probably essential for ASEAN countries to be establishing official defense treaties, to have military exercises occasionally."

"It improves the esprit de corps between the two forces; this is useful for maintaining peace and stability among us and in the region."

Looking back, he said: "Among the best of friends in the same family — even among close neighbors — tend to have disputes and quarrels. The Contemplacion episode was an aberration."

"We made errors on both sides, and we have learned from them. I think we will be better able to handle future disputes."

"From our side, the Department of Foreign Affairs is a little quicker now to pick up these issues. We would just let it go," he noted.

"No other nation on earth tries to give us the same protection to our nationals abroad than the Philippines."

As to the ASEAN Ministerial Meeting in Jakarta, China's role in the South China Sea was of regional concern, he said.

Last year, the Philippines successfully orchestrated a diplomatic response from ASEAN following China's occupation of Mischief Reef, an atoll well within Manila's Exclusive Economic Zone.

Beijing built structures on it described as fishermen's shelters. Manila maintains they are more like military structures.

Relations have been mended to some extent, but earlier this year China again ruffled feathers by ratifying the United Nations Convention on the Law of the Sea (UNCLOS) and unilaterally drawing new baselines which included the Paracel Islands, which Vietnam claims as well.

Mr. Siazon had some suggestions to make on the subject, which would form part of the Philippine position at Jakarta and in the ASEAN Regional Forum (ARF).

"The occupation of Mischief Reef raises some concern because it's just too near our main islands," he said.

"China understands that, and we are hoping that as our trade and other joint efforts expand, they will reconsider their position, and have this fishermen's sanctuary managed by Filipinos because it's nearer us, based on the concept of stewardship. And we could share it with them if there is a need for fishermen."

Mr. Siazon was satisfied that the South China Sea was receiving more attention in the ARF.

"Last year, China refused to discuss it, but now, we even have a China-ASEAN forum for talks on the South China Sea," he said.

"It is now a track-one issue, no longer a track-two issue. And with the Chinese ratification of UNCLOS, we now have a common framework for trying to resolve it."

"I think this could be part of a joint fishery project later on, which would then at least mean nobody's being forced out. It would make sense in order to get rid of the anxiety of the provinces near Mischief Reef. It's just too near."

Mr. Siazon added that Manila welcomed Beijing's ratification of UNCLOS, but was "disappointed" that Beijing had used the Paracels to draw its baselines.

"We would have expected, since they have a code of conduct with Vietnam and with us, that they would have signalled before they drew the baselines, as a matter of courtesy. We're not saying — start arguing. But part of a code of conduct scenario is there should be no surprises, you should signal your intentions," he said.

China, Vietnam, and the Philippines have established a triangular code of conduct in the disputed area through bilateral understandings with each other, he noted. But another aspect of the issue was the legality of the Paracels.

"Under UNCLOS, there may not be a legal basis because China is not an archipelagic country," he said. "But this issue can be resolved through the International Tribunal on the Law of the Sea. Members are to be elected come August 1," he said.

He added that Manila would like the ARF, which has already evolved faster than many had predicted, to move from confidence-building measures to dispute settlement, but acknowledged that this might take time.

"Many of these issues can't be really resolved. If you look at how near we are to each other, there are so many overlapping claims. So we just have to work out cooperative projects," he said.

For the first time in Jakarta, India, China, and Russia will all be full dialogue partners in ASEAN.

"ASEAN is concerned essentially about economic growth. In order to have that, you need domestic political stability. But you also need international political and security stability. We have binary claims with China on territory, and it's a very large market — our trade and mutual investments are growing. China and ASEAN is a natural partnership."

He also noted that India, as a country of one billion people and with a very large border with China, had substantial influence in that part of Asia. "So as dialogue partners, we can cooperate more on political and security aspects related to the region and with respect to the work of the United Nations."

"India's economy is of tremendous size, and if India continues with the liberalization program, I think it will be a major economic power, say, 20 years from now."

"So we will have India, China, Japan, and ASEAN, as well as Australia and New Zealand — five poles trading and co-investing."

Another issue on which the Philippines sometimes feels uncomfortable is Myanmar [Burma], widely accepted as the eventual 10th member of ASEAN after Cambodia and Laos expand the group to nine members, probably by the end of next year.

However, Manila falls in with the ASEAN approach, which does not believe sanctions against Myanmar are needed, despite the ruling junta's continued curbing of the opposition National League for Democracy.

"We are very sensitive to issues of human rights, given our background and the revolution of 1986," Mr. Siazon explained.

"So like Thailand in recent weeks, we have urged both sides in the political struggle in Myanmar to exercise maximum restraint and pursue national reconciliation efforts."

"Myanmar will be a major topic in the forthcoming consultations in Jakarta. The United States has already signalled its concern, and we're hearing very loud noises from the Europeans. They want economic sanctions, which I think are not called for."

"This is what we call the power of the middle countries. We're not big, but together, we form a critical mass."

Philippines: Philippine, Taiwanese Businessmen Sign Accord

BK1607122496 Manila MANILA BULLETIN in English 16 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Filipino and Taiwanese businessmen recently signed an agreement to pave the way for more business activities and the promotion of trade and investments between the two countries.

Specifically, they agreed to further enhance trade between Taiwan and the Philippines, which broke the \$2 billion level last year.

The two groups forged the accord during the 11th joint meeting of Chinese-Philippine Business Council (CPBC) and the Philippine-Chinese Business Council (PCBC) last Thursday. PCBC Chairman Aurelio Periquet, Jr. and CPBC Chairman Jeffrey L.S. Koo signed the document.

The meeting culminated in the signing of a joint communique, which called for each organizations to "work closely together to further strengthen and expand mutually beneficial relations" in their countries.

During the meeting, the business leaders recognized the substantial growth and progress in the economic relations between the two countries since a joint body was established in 1985. A delegation of 140 Chinese and 116 Filipino businessmen attended the meeting.

"(But) much more has to be done for the further improvement of such relationship," the communique said.

Statistics from the Board of Investments show that the bilateral trade between Taiwan and the Philippines reached an unprecedented \$2.004 billion in 1995, or a 20 percent jump from only \$1.673 billion in 1994. The

total Philippine exports to Taiwan reached \$586 million and imports registered \$1.436 billion.

A Chinese business leader noted, however, that Philippine exports to Taiwan ballooned by 39 percent and imports rose by about 35 percent.

"It was agreed that both business councils from task forces on trade and investment, banking and finance, and tourism cooperation would meet between annual meetings to accelerate and achieve policy decisions and projects decided at the joint council meetings," the communique said.

Aside from these task forces, which will have more frequent meetings than the joint council meetings, the two groups agreed to hold more business promotion activities such as one-as-one business matching sessions, and simultaneous business meetings on special economic zones.

Taiwan has been the country's third largest foreign investor, next only to the United States and Japan. From 1979 to 1995, Taiwan brought into the Philippines about \$1 billion investments. At the Subic Bay Freeport alone, Taiwanese investors accounted for about \$260 million.

Philippines: MILF Commander, 20 'Rebels' Surrender to Military

BK1507071796 Manila MANILA BULLETIN in English 15 Jul 96

[Report by Nonoy E. Lacson — received via Internet]

[FBIS Transcribed Text] Zamboanga City — A commander of the Moro Islamic Liberation Front (MILF) and his 20 fully armed men surrendered to the government last Wednesday (10 July) in Lanao del Norte, the Armed Forces Southern Command (Southcom) here reported yesterday.

A Southcom report identified the MILF leader as Commander Demapunong Macaurao alias Commander Papao, but it did not name his colleagues.

Papao also surrendered 10 M-14 ArmaLite rifles and 10 .38 caliber revolvers.

The report said the rebels voluntarily surrendered and were officially received by 103d Army Brigade chief Col. Rodolfo Lorayes.

During interrogation, the rebels admitted having engaged in many encounters with government forces in Lanao del Norte.

In Tuburan, Basilan, another MILF leader, Hadji Amin Abubakar, surrendered early this week, with a carbine rifle with five magazines and 72 pieces of ammunition.

Philippines: Muslim Rebel Head Admits Yielding To Pressure on Council

BK1207034296 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 11 Jul 96

[FBIS Translated Text] MNLF (Moro National Liberation Front) Chairman Nur Misuari warns the Ramos government that it is accountable not only to Filipino Muslims but also to the 51-member nation of the Organization of Islamic Conference [OIC] on the Southern Philippines Council for Peace and Development [SPCPD] issue. He warned local Mindanao officials opposed to the SPCPD that they are not only opposing the MNLF but the ICO as well. Misuari stressed that they accepted the SPCPD because of ICO pressure.

Meanwhile, President Ramos has denied reports that he warned of war in Mindanao if the establishment of SPCPD is not pushed through. He also called for an end to speculation made by a few individuals.

Philippines: MNLF Chief Accepts Nomination To Run for Governor

BK1207120696 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 12 Jul 96

[FBIS Translated Text] A watershed was reached today when Nur Misuari, Moro National Liberation Front [MNLF] chairman, accepted the nomination of the Power of the Nation-National Union for Christian Democrats party as the official candidate of the coalition between the party and MNLF in the elections for the Autonomous Region in Muslim Mindanao [ARMM]. Let us hear an additional report from Grace de la Pena, direct from Malacanang [presidential palace]. Grace, come in:

[Begin recording] [De la Pena] Nur Misuari's candidacy for ARMM governor is a very good development, according to the government. The government believes agreement in the peace talks can easily be reached with regard to the remaining issues that are being discussed by the government and the MNLF. Among the issues being discussed are the formation of a regional security force and the integration of MNLF members into the Armed Forces of the Philippines.

The government explained that if Nur Misuari wins as ARMM governor, he cannot be appointed as chairman of the Southern Philippines Council for Peace and Development [SPCPD]. Here is a statement from Secretary Alexander Aguirre, who is one of the members of the government peace panel.

[Aguirre, in progress, in English] ...command of the council. The MNLF has to submit the names for

their nominees to the council, that is, if he wins the governorship.

[Inaudible question from unidentified correspondent]

[Aguirre, in English] Assuming, that's only assuming [laughter]; everything is assuming, we don't know what the future is. Then, he is back as safely, MNLF chairman and therefore, he is available to any position in the Southern Philippines Council for Peace and Development.

[De la Pena] Secretary Aguirre also stressed that if Misuari loses in the elections, he may wait until he is appointed chairman of the council. According to Aguirre, there is a one-year ban on the appointment of losing candidates for positions in the government.

If the government's schedule is pushed through, the formation of the council is expected to take place in two or three months. Another individual may be appointed as council chairman until the one-year ban expires, that is, if Misuari loses.

Executive Secretary Ruben Torres has just arrived back from his trip to Jolo, where he met with Misuari, and he is scheduled to give a briefing to answer any questions. [end recording]

Philippines: MNLF Chief Discusses Role in Mindanao Peace Process

BK1507041396 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 14 Jul 96

[FBIS Translated Text] Nur Misuari, Moro National Liberation Front [MNLF] chairman, has stressed that he is not hungry for power. Misuari said he has enough power as MNLF chairman. He explained that he is simultaneously heading the Autonomous Region in Muslim Mindanao [ARMM] and Southern Philippines Council for Peace and Development [SPCPD] because he would be an ineffective leader if he only headed one of those two groups.

Misuari added he would prefer to remain with SPCPD should he lose the ARMM elections. He warned that the SPCPD would be dismantled by others if he does not win the position as ARMM governor.

Misuari believes President Ramos needs him to push through Mindanao's peace and to improve the economy. According to Misuari, the future of the country would look dim without him.

16 July 1996

**Philippines: Muslim Rebel Chief Says MNLF To
Abandon Armed Struggle**

*BK1507070196 Manila BUSINESS WORLD
in English 15 Jul 96*

[Report by Jemileen U. Nuqui — received via Internet]

[FBIS Transcribed Text] With the impending creation of the Southern Philippines Council for Peace and Development (SPCPD), the Moro National Liberation Front (MNLF) is expected to fully abandon its armed struggle.

It also promises to work within the framework of the 1987 Constitution in pursuing its goal of alleviating the plight of Muslims in Mindanao.

MNLF chairman Nur Misuari, in an interview over DZRH [radio station] yesterday, said the MNLF is abandoning armed struggle since the pursuit of political objectives cannot be won through such means.

He also said the MNLF now accepts constitutional measures to pave the way for reforms and changes. Nonetheless, it reserves the right to call for several amendments to the charter, he said.

The MNLF chieftain noted several changes may have to be made on the Constitution if only to ensure the protection of the rights of people in the south.

"An example is the set up of the present Senate. It's a shame that our people (from Mindanao) have no representation," Mr. Misuari said.

He criticized the current arrangement where not even one of the 24 senators currently in office is from Mindanao. "This needs to be changed," he said.

He added the MNLF plans to lobby for Congress to enact a measure which would regionalize the Senate. "We will call on the legislature to look at this move to ensure that all Filipinos are represented," he said.

Political observers believe the MNLF plans to field candidates for the Senate and other elective positions, possibly under the ruling party Lakas-NUCD [Power of the Nation-National Union of Christian Democrats].

The noted MNLF chief himself has allied with the ruling party in his bid for governor of the Autonomous Region of Muslim Mindanao (ARMM).

GIVE PEACE A CHANCE

Mr. Misuari also said those opposing the establishment of the SPCPD should first give the proposed body a chance to prove itself.

"They should even look at it as a positive move because President Ramos was able to muster enough wisdom to

bring about the restoration of peace (in the South)... I believe (Mr.) Ramos should be given the Nobel Peace Prize for the job he rendered to the cause of humanity," he said.

He added that peace in Mindanao will "precipitate" peace in the other parts of the country. "This can be our contribution to world peace."

It may be noted Mr. Misuari is to head the proposed SPCPD which will be established under the supervision of the Office of the President.

Meanwhile, President Ramos is set to meet the members of the National Ecumenical Consultative Committee (NECCOM) to discuss the peace process in Mindanao as well as the creation of the SPCPD.

In a memorandum, the chief executive directed Executive Secretary Ruben Torres and Presidential Management Staff chief Alexander Aguirre to prepare a briefing for the ecumenical group.

The meeting this Thursday, is part of the administration's dialogue with the leaders of different religious groups on their assessment and concerns on the SPCPD and the peace talks.

Invited to the meeting were NECCOM chairman and National Council of Churches of the Philippines (NCCP) president Raul Victorino and Bishop Teodoro Bacani of the Catholic Bishops Conference of the Philippines (CBCP).

Meanwhile, Mr. Ramos wrote President Suharto of Indonesia to express his appreciation for the "indispensable role" of Indonesia and the Organization of Islamic Conference (OIC) Committee of Six in the peace process in the South.

"I am deeply hopeful that this breakthrough will open the path to a final resolution of all outstanding issues in time for the signing of a final agreement," he said.

Thailand

**Thailand: New U.S. Law Not Affecting Gas
Delivery From Burma**

*BK1307123596 Bangkok THAI RAT in Thai
13 Jul 96 p 8*

[FBIS Translated Text] According to Piti Yaemprasoe, general manager for natural gas of the Petroleum Authority of Thailand (PAT), the possibility of the U.S. Congress enacting law to sanction U.S. companies that make investment in Burma will not affect the PAT's project to buy natural gas from Burma's Yedana field. The Yedana field is a joint venture between the

PAT, Total of France, and Unocal. Total has informed the PAT that if Unocal is forced to withdraw from the project it is ready to take over Unocal's share. The project is expected to yield high profits. Thailand already has a firm gas purchase contract.

Regarding 260 km of gas pipe to be laid from Yedana field to the generator in Rat Buri, the PAT has already chosen a pipe supplier. The private sector is welcome to co-invest in the project, whose total investment is estimated at 16 billion baht.

Thai Candidature for UN Secretary General Seat Viewed

BK1607105096 Bangkok SIAM RAT in Thai
16 Jul 96 p 5

[Commentary by Man Phatthanotai: "Let Us Support Anan or Kasemsamson To Become UN Secretary General"]

[FBIS Translated Excerpt] A small column in the 14 July issue of SIAM RAT reported that former U.S. President George Bush was on a visit to Thailand to lobby Anan Panyarachun and M.R. [royal title] Kasemsamson Kasemsi to try for the UN secretary general's seat at the UN General Assembly in September. The current UN secretary general, Butrus Butrus Ghali, will have completed his 5-year term this September.

If the report is true, it is very welcome news for the Thai people. The United Nations has nearly 200 member countries. Although it has been criticized for its ineffective peace keeping and has faced a shortage of financial support for its operations, its worth to mankind in maintaining peace, creating a decent quality of life, and helping the brotherhood of man is monumental.

By receiving the support of a superpower such as the United States for their candidature for the UN secretary general post, former foreign ministers Air Chief Marshal Sitthi Sawetsila and M.R. Kasemsamson or former prime minister Anan Panyarachun will have gained a good momentum vis a vis other candidates. The United States commands considerable clout in and is the major contributor of subsidies to the United Nations. Therefore, any candidate that the United States supports usually wins. This might have been different in the Cold War era because the Soviet Union or China would have opposed the U.S. candidate out of fear of bias against them. Being the sole real superpower in the current era, the United States has the upper hand in the United Nations. Coupled with the fact that Thailand's international role is quite good — being a friend of Russia, the United States, and China — the Thai candidate's chance of winning the UN secretary

general seat is definitely only an arm's reach away. [passage omitted]

My assessment of the U.S. view of the current UN secretary general is that Butrus Ghali is not likely to serve a second term because he will be vetoed by the United States. Although Butrus Ghali has the support of 52 African countries, the support is not unified. The United States and certain European countries can sway some of these countries, as well as Asian and Latin American countries, to vote differently.

Although it will be a great contest, if our candidate has the support of the major powers such as the United States, Russia, and China, as well as Arab and Asian countries his chance of winning is very good. It will be another major proud moment for Asian people following on from the two terms that U Thant served as the UN secretary general during 1961-1972. Burma was more advanced than Thailand then and had a better reputation in the international arena. At that time Thailand was regarded as a U.S. lackey, while U Thant had the confidence of both the free world and communist and nonaligned camps.

Thailand now is a friend of all camps and it has a qualified person in Anan or Kasemsamson to serve the world in this important UN capacity. The Thai people can be proud of either man.

Prime Minister Banhan sat in the UN General Assembly president seat for 20 minutes at the 50th UN anniversary and the Thai and Asian people were proud of that moment. Why not campaign for another Thai to hold the seat of the UN secretary general?

Thailand: Nation Supports Taiwan's WTO Entry, Lowering Trade Barriers

BK1607063396 Bangkok THE NATION in English
16 Jul 96 p 19

[Report by Somphon Thapanachai from Christchurch, New Zealand]

[FBIS Transcribed Text] Thailand told Taiwan yesterday that it supports Taiwanese membership of the World Trade Organisation but would like to see Taipei lower trade barriers on rice and chicken in return.

The message was conveyed by Thai Deputy Commerce Minister Amnuai Yotsuk at a meeting with Taiwanese Vice-Minister of Economic Affairs Sheu Ke-Sheng, outside the conference of Asia Pacific Economic Cooperation trade ministers.

The two met as Taiwan and the United States began five days of talks in Taipei on deregulating the island's

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The two met as Taiwan and the United States began five days of talks in Taipei on deregulating the island's

telecommunications market as part of the WTO membership negotiations.

In Christchurch, Mr Sheu asked for Thai support for Taiwan's WTO membership. Mr Amnuai said Thailand supported Taiwanese membership in principle, but the Thai side still wanted Taiwan to reduce further both tariff and non-tariff barriers for Thai products especially rice and rice products and frozen chicken.

In its application to join the WTO, Taiwan has to negotiate appropriate terms with existing members. Thailand is one of 25 countries that has requested direct talks, and these have been held three times.

A new round of bilateral talks is expected in a few months, when Taiwan will also negotiate with the United States, Australia and New Zealand. Taiwan has been able to reach agreement with eight of the 25 countries that has asked for direct talks.

Thailand is also asking Taiwan to enlarge its proposed quotas for chicken pieces to 5,000 tons in the first year of market opening, expanding to 11,000 tons in the sixth year. But Taiwan said it could allow only 4,600 tons in the first year, increasing to 9,200 tons in the sixth.

Taiwan is resisting Thai pressure to reduce the import tariff on whole frozen chicken from the current offer of 30%, arguing that lowering the duty will hurt its local industries.

A Thai official said agreement has been reached on some items such as market opening for rice. Taiwan will allow 63,000 tons in the first year or 4% of the country's rice consumption. This percentage is the same as the Japanese commitment in the WTO.

Thailand is also satisfied with Taiwanese tariff cuts on more than 50 items, particularly tapioca products, and the removal of non-tariff barriers facing Thai coconut, mango, papaya, spirit, beer and cigarette.

Thailand: House Committee Urges ASEAN To Adopt Human Rights Plan

BK1607061896 Bangkok THE NATION in English
16 Jul 96 p A2

[Unattributed Report]

[FBIS Transcribed Text] The House Committee for Human Rights and Justice yesterday urged the Association for Southeast Asian Nations (ASEAN) to quickly set up a mechanism to oversee human rights issues, as it had promised during an ASEAN annual meeting in 1993.

The message was conveyed by Praphan Hutasing, an adviser to the House committee, who yesterday met

Deputy Foreign Minister Pracha Khunakasem at the Foreign Ministry.

House committee chairman Suthin Noppakaket was initially scheduled to meet Pracha.

Praphan told Pracha that since the ASEAN meeting in 1993, in which ASEAN foreign ministers expressed support for the protection of human rights and agreed that a regional mechanism should be established, no concrete movement in that direction has been forthcoming.

"Human rights issues should be discussed sincerely during the ASEAN meeting in Jakarta, and the ASEAN grouping should jointly push for the establishment of a mechanism," Pracha quoted Praphan as saying.

ASEAN includes Brunei, Indonesia, Malaysia, Singapore, the Philippines, Thailand and Vietnam. The grouping's foreign ministers are scheduled to meet in Jakarta on July 20 and 21 in Indonesia.

Thailand has supported the idea, but the procedure will take time as details need approval and endorsement from ASEAN's senior officials. However, we strongly support the idea," Pracha said.

Pracha said Praphan did not raise the human rights situation in Burma, which has been criticized strongly, but talked about human rights issues in ASEAN in General. Meanwhile, Indonesian Foreign Minister Ali Alatas said in Jakarta yesterday that he foresaw no problem with ASEAN discussing a regional human rights mechanism during scheduled meetings here.

"Indonesia, as host, would have no difficulty whatsoever entertaining their request to have such a meetings" Alatas told a press briefing. "I think it would be good."

However, Alatas said that each member country would need to have its own national commission before a regional commission on human rights could be formed.

National human rights bodies in Indonesia, the Philippines and Thailand have had talks among ASEAN foreign ministers on the establishment of a regional mechanism for human rights, he said.

He admitted there was no concrete plan since a ministerial agreement in 1993 to work for an ASEAN-wide regional human rights mechanism.

**Thailand: Article Urges ASEAN To Reform
'Working Method'**

BK1507035296 Bangkok BANGKOK POST
in English 15 Jul 96 p 5

[Article by Anurat Maniphan and Phanrawi Tansuphaphon: "ASEAN Pauses To Reflect As It Nears 30th Year"]

[FBIS Transcribed Text] The question of whether to expand or freeze relations with countries outside Southeast Asia is a major one facing the Association of Southeast Asian Nations in its 29th year.

Yet another question for the seven member states — Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam — is whether to maintain or reform the current working method.

Both questions will demand answers in Jakarta, where senior ASEAN officials begin preparing tomorrow for the 29th annual meeting of ASEAN foreign ministers and their conferences with dialogue partners.

The question of putting a hold on relations with countries outside the region is being raised following ASEAN's decision to admit three new dialogue partners this year — India, China, and Russia.

Their admission brings to 10 the number of countries, or groups of countries engaged in dialogue with ASEAN for political and economic co-operation. Australia, Canada, Japan, South Korea, New Zealand, the European Union and the United States are long-standing dialogue partners who have met ASEAN foreign ministers on an annual basis at the so-called Post-Ministerial Conference.

For the past two years, dialogue partners have also joined ASEAN, its prospective members Burma, Cambodia and Laos, and special observer Papua New Guinea at the ASEAN Regional Forum to encourage the discussion of security matters. The forum, known as ARF, was launched in Bangkok in July 1994.

Added to this already 21-strong gathering, Britain and France are asking for individual seats rather than being represented as part of the 15-member European Union.

Thai Deputy Premier and Foreign Minister Amnuai Wirawan has taken note of the two European powers' wishes, saying they should be "considered". But he also pointed to potential "logistical problems" if too many countries are allowed relationships with ASEAN as dialogue partners or ARF participants.

While ASEAN should not close the door to important players, it cannot become "a second United Nations", he said.

North Korea and Mongolia have applied to participate in the ARF which at its ministerial meeting set for July 23, is due to consider criteria for admitting newcomers on the basis of location in the Asia-Pacific region and interest in activities affecting it.

The growing list of applicants seeking participation in the ARF reflects its potential, according to the deputy director-general of the Foreign Ministry's East Asian Department, Norachit Singhaseni.

Burma and India are taking part in the next ARF for the first time. China and Russia, as ASEAN's consultative partners at the time, were among the forum's founding members in 1994.

In a new development for ASEAN's political deliberations and the ARF process, Mr Amnuai has called for the security forum to do away with what he called "ceremony" and "deal with real substantive issues".

He cited the dispute over the Spratly Islands in the South China Sea as one issue that should be "examined" by the ARF. China, Taiwan and four ASEAN states — Brunei, Malaysia, the Philippines and Vietnam — all claim all or part of the islands.

Mr Amnuai also urged an "adjustment" in ASEAN's working method.

He said ASEAN foreign ministers are due to meet among themselves and with dialogue partners for a total of six days, from July 20-25, at the next session in Jakarta.

He also pointed to the need to streamline the Post-Ministerial Conference process whereby dialogue partners have a plenary session with the seven ASEAN foreign ministers as well as bilateral, so-called 7-plus-one meetings, and working lunches with them.

Reviewing the way ASEAN works would also mean finding a way of avoiding overlaps in security issues raised at the wider ARF and the smaller Post-Ministerial Conference gathering among ASEAN and its dialogue partners.

Overlapping is being avoided at the coming meetings through plans for the Post-Ministerial Conference to raise wider international issues such as Bosnia and the Middle East, according to ASEAN Department Director-General Sukhum Ratsamithat.

The situation on the Korean Peninsula is expected to join the Spratlys on the ARF agenda.

Hong Kong's reversion to China in 1997 is another important talking point for ASEAN foreign ministers.

The topical question of UN Secretary-General Butrus Ghali's bid to be re-elected for a second term could also raise lively debate over the next 10 days. Malaysia has made clear its opposition to Mr Butrus-Ghali's re-election, but Mr Amnuai has said there is no need for ASEAN to take a joint stand.

At 29 going on 30, ASEAN has developed clout within the region and on the international scene. To sustain its prestige, ASEAN has to produce results. This will mean changing habits that hinder pro-active and timely work.

Bangkok Plans To 'Bargain' on Information Technology Trade Issue

BK1507034896 Bangkok BANGKOK POST in English 15 Jul 96 p 18

[Unattributed Report]

[FBIS Transcribed Text] Thailand will help free up trade of information technology [IT] products providing it does not hurt local industries, according to the country's International Economic Policy Committee (IEPC).

The committee is [re]presenting Thailand at the APEC Trade Ministers' Summit today and tomorrow.

A source said today's discussions will center on the proposed liberalisation of the trade in IT products, a topic that had been raised by some developed countries.

But the source said Thailand thought the issue should not be given high priority because it has never been in a list comprising the framework for trade liberalisation.

The proposal aims to reduce trade burdens by easing both tariff and non-tariff barriers to allow the free flow of IT trade. The source said Thailand still saw the need to protect the local industries, particularly those in the manufacture of computer and electronics parts and components.

"Developing countries, including Thailand, are not in a strong position to compete. However, while there is a need to protect local industries, we are prepared to open our market for high-technology products," he said.

Developed countries may raise the issue for discussion but Thailand will not accept the move if discussions lead to new regulations to be enforced in APEC, the source said, adding that developed countries should not try to take too many benefits because they already enjoy a strong advantage.

The Board of Investment has been promoting computer-related investments, and import tariffs are low.

But if most member-countries support IT trade liberalisation, the source said Thailand was prepared to bargain.

The source also said Thailand will propose lower tariffs on fishery products based on Code 03, which covers fishery products used as raw material for export manufacturing.

Thailand: Article Views Australian Jungle Warfare School in Cambodia

BK1507163396 Bangkok MATICHON in Thai 15 Jul 96 p 33

[Commentary by Somchai Menyaem: "Australia Sets Up Center To Train Cambodians in Jungle Warfare"]

[FBIS Translated Text] Thai-Australian relations had been quiet and unexciting until mid-1997 when former Prime Minister Chuan Likphai informed newsmen that he would suspend arms purchases from Australia. Chuan's remark reflected his dissatisfaction with Australia's comment about the Thai Armed Forces being a contributor to the Khmer Rouge's military strength through secret weapons supplies. The Australian comment was in response to the death of some Australian citizens who had been taken hostage by the Khmer Rouge in order to demand a ransom.

Thailand is in a difficult situation. It cannot very well turn away people who have fled from a neighboring country after an internal squabble. Thai people are sometimes killed along the border by stray shells fired by squabbling Cambodian parties. Located next to Cambodia, such a situation is unavoidable.

By setting up a special warfare center to train Heng Samrin soldiers to suppress Khmer Rouge soldiers in the Thai-Cambodian border area, however, Australia is suffering from a syndrome similar to having pebbles in its shoes.

The 24 June issue of THE SYDNEY MORNING HERALD carried the headline: We teach Cambodians jungle warfare. This is a very interesting issue. What is Australia doing in Cambodia, and what does it hope to gain? The answer is quite simple. You do not have to be a diplomat or strategy planner to realize that the Australian move will create more enemies than friends. I dare to say this because the same paper said that Major General Bill Cruse, the Australian representative, and Cambodian Co-Defense Ministers Tie Banh and Tea Chamrat jointly witnessed the opening of the special warfare center on 23 June in Pich Nil, which is located between Phnom Penh and the Siem Reap naval base. The report said clearly that Cambodian soldiers who receive training there had already completed training in Queensland, and afterward they will be sent to operate in Phnum Malai next to the Thai border.

It is not unusual for Australia to provide economic and educational assistance to Cambodia. Paul Dibb of Australia National University said Australia is playing the role of the medium power in Asia and the Pacific, so it is understandable that such assistance help create national pride. There must, however, be motivation for a capitalist country to provide military assistance to a socialist country. Does Australia not care at all about the feelings of Thailand, where Heng Samrin soldiers have often crossed the border to clash with Thai soldiers?

The Thai Government probably will resort to a foreign policy of bending with the wind or pretending not to care. Such a stance, however, will cause the Australians to think that Thailand cannot do anything about it anyway.

Speaking of retaliation against Australia, nobody did this better than Malaysian Prime Minister Mahathir and Indonesian President Suharto. Mahathir so vigorously attacked Australia for opposing its EAEC (East Asia Economic Caucus) proposal that former Australian Prime Minister Paul Keating called him a very clever and able man. Indonesia rejected the proposed appointment of an Australian ambassador to retaliate against Australia's rejection of its envoy earlier.

In the interest of their national pride and international honor, those two countries will not tolerate "pebbles in their shoes" in their conduct of international relations. The question to the Thai Foreign Ministry is: When will it remove the pebbles in its shoes? A corn could develop otherwise.

Thailand: New Alien Business Law Brings 'Mixed Reactions'

BK1507073196 Bangkok BANGKOK POST
in English 15 Jul 96 p 19

[Report by Chairudi Thepharat and Phirawat Chariyasombat]

[FBIS Transcribed Text] Endorsement by the International Economic Policy Committee of the principal draft of the new Alien Business Law, which opens 13 categories of businesses to foreign investors, has drawn mixed reactions from local business people.

Praphansak Phatthayanon, president of the Thai Hotels Association, said the new law could be good for hotels.

By allowing foreign investors to take a greater part in the business, the law may ensure that they share the burden of their Thai counterparts, instead of merely enjoying profits from the business of chain management.

The opening of the market will induce investment capital to flow from overseas, especially for high-class

hotels and those in a poor financial state, and possibly for the construction of new hotels.

The only worrying factor is that small hotels could be easily taken over and ownership passed on to foreign investors, Mr Praphansak said.

Kasem Phiphatseritham, managing director of Jardine Wine & Spirits Co, distributor of the liquor products of Noble House, said the taxation system for foreign companies should be made clear, otherwise it may affect local companies.

"Thailand's domestic alcoholic beverage industry is very big. We should consider the effects of the change in this law very carefully to assess whether it will lead to stronger competition and result in better products, greater employment opportunities, and more products for export. If this is the case, the change in the law would be a good thing," he said.

An executive of one of the top ten media agency companies said local advertising companies will face tougher competition with international agencies being allowed to operate freely in Thailand.

The draft of the Alien Business Law which will replace the 1972 National Executive Council Announcement 281 received approval from the committee, chaired by Deputy Prime Minister Annuai Wirawan, last Tuesday.

The change is aimed at liberalizing local laws to bring them into line with global trends and as part of Thailand's commitment to the World Trade Organisation.

The draft will be considered by the Cabinet. Soon after that, approval from the House is needed, and this may take a lengthy period of time. It may be several years before the whole process is completed.

The 13 businesses to be opened for foreign investors are: advertising; hairdressing and the operation of beauty salons; ice-making; manufacture of matches food and drink merchandise hotel business except hotel management; entertainment services; photography and development processes; laundry services; dressmaking exports; retailing market for machinery and equipment; and food and drink for tourism promotion.

The businesses were categorized in Annex 1, 2, and 3 of the 281 Law. The new draft will categorise these businesses into two groups, Annex 1 containing a list of businesses that prohibit foreign investors including farming, handicrafts, the services sector, construction and transportation.

Annex 2 comprises a list of businesses which allow foreigners to take 49 percent of the ownership stake. These include fisheries, retail business except for machinery

and equipment, wholesale business except for trading in local agricultural produce, publishing and printing, and services, as well as trading in financial and securities notes.

Groups listed under Annexes 1 and 2 could be revised and moved from the category to another every four years, on criteria set by a committee appointed by the Commerce Ministry.

Oranut Osathanon, adviser to Deputy Prime Minister Annuat Wirawan, said the 13 categories would be reconsidered by Dr. Annuat before being forwarded for a cabinet decision, and some categories may be changed.

Thailand: SRV Plans To Announce 'Liberal' Laws on Foreign Investment

BK1607063896 Bangkok THE NATION in English
16 Jul 96 pp A1, A2

[Report by Watcharaphong Thongrungs]

[FBIS Transcribed Text] Hanoi will soon announce new liberal investment regulations aimed at attracting foreign investment, Nguyen Nhac, Vietnam's vice minister of planning and investment said.

Speaking at a seminar on the investment prospects in Indochinese countries, Nguyen Nhac said his ministry had submitted a draft of new regulations to be added to the existing foreign investment law. The amended law will be presented to the National Assembly's meeting in October.

He said the new regulations should come as incentives as they will remove duplicated application procedures through a one-stop service centre, provide tax exemptions, and reduce land leasing fees.

Nhac told the press conference that under the new investment regulations, foreign investors will get their project approved within two months of the date of submission and receive their investment licence as well as land leasing documents one month after the proposed projects are sent to the related agencies and provincial authorities.

Nhac said under the new regulations, a provincial industrial estate management board will be given authority to approve foreign investment, depending on the size of the proposed investment, instead of centralizing all project approvals with the federal government.

He said a master plan for industrial estates, which will give priority to investment zones and projects to be built in those zones, is to be approved by the national assembly.

Hanoi hoped that the new investment regulations will help realise the country's policy to upgrade to higher technology, maximise the use of natural resources and promote exports, he said.

The Board of Investment yesterday organized a business workshop under the theme "The Greater Mekong Sub-region". BoI [Board of Investment] Secretary-General Sathaphon Kawitanon said the seminar is in line with the country's plan to be the business centre in Indochina. The BoI recently announced the formation of the Thai Overseas Investment Promotion Board, reflecting the importance of the initiative.

Nhac said the Vietnamese government will soon announce the industries deemed to be promoted. In addition, it will provide incentives for investors who set up plants in industrial estates. The application period will be cut to within two to three weeks. Vietnam has 12 industrial estates, including one which is run by Thailand-based Bangpakong Industry. Sahawiriya Group is also waiting for approval to run an industrial estate in Vietnam.

Nhac said that from this year to the year 2000, Vietnam's GNP is expected to rise by 9 to 10 per cent annually. GDP per capita by the year 2000 is expected to double the level recorded in 1990. The government plans for Vietnam to become an industrial country over the next 20 years.

So far, more than 700 companies from 53 countries have invested in the country. This translates into registered capital of US\$21.2 billion with investment capital of \$6.6 billion.

Of the total 56 projects came from Thailand, with combined registered capital of \$513 million. Thai investment ranked 12th. Thai investors are interested in industrial development projects, hotels, mineral exploration and production of vehicle parts and motorcycles.

Nguyen Quang Dung, an industrial officer, said from 1991 to last year, Vietnam enjoyed an average industrial growth rate of 12 per cent. The Vietnamese government has targeted the development of petrochemicals, steel, textiles, processed food, electronics and machinery and parts industries.

Dao Thuy Phi, a Vietnamese economic official, said that from 1991 to last year, Vietnam enjoyed export growth of about 20 per cent, translating into export value of \$5 billion.

She said the Vietnamese government wanted to promote value-added industries and reduce the export of primary products such as crude oil and teak. The Vietnamese government intends to maintain close relations with

existing markets such as the former Soviet Union states and Eastern European.

At the same time, Hanoi is eyeing new markets such as ASEAN, the European Union, the United States and the Middle East. In addition, Vietnam has managed to deregulate the economy and adjust its economic structure so as to be qualified to become a member of the World Trade Organisation.

L: Thi Thong, an expert on rural development, said the Vietnamese government has also set a high priority on sustainable development.

From 1994-2000, the Vietnamese government will allocate a budget worth US\$45-US\$50 billion to invest in infrastructure projects.

Thailand: Ministry Speeds Up Attempts To Tackle Export Drop

BK1407104996 Bangkok THAILAND TIMES in English 13 Jul 96 p B1

[Unattributed report]

[FBIS Transcribed Text] Bangkok — The Commerce Ministry is speeding up attempts to resolve the current decline in Thai exports, hoping that new measures will reverse the current trend and prompt a growth in exports during the second half of this year, according to Deputy Commerce Minister Montri Danphaibun.

The Commerce Ministry is in the process of collecting data from all Thai exporters so that they can study the case further.

Meanwhile the Department of Export Promotion together with the Department of Business Economics has been assigned the task of devising a long term plan to provide solutions to the export problem.

It is difficult to produce accurate export values as some companies do not reveal their correct export figures in an attempt to obtain excessive Value Added Tax (VAT) refunds from the Excise Department.

Most exporters complain that the problems are caused by raw material tariff cuts and high labor costs, which combine to spark losses.

The Commerce Ministry is attempting to isolate those factors obstructing exporting, such as: foreign labor, transportation costs, and high technology in the production process, he said.

In the second half of this year Thai exports are expected to reach 1,600 billion baht.

In the meantime, the Commerce Ministry appointed the Department of Business Economics to hold a training seminar entitled "The Combination of World Trade and

Economic, Thailand's Effect and Modification" in order to be in line with the current business situation and the government's policy of encouraging and expanding exports, Commerce Minister Chuchip Hansawat said after he opened the seminar.

Previously, Thailand was successful in trade and economic growth which was a result of the expansion of manufacturing, servicing, trade and investment.

In spite of the increase in exports the tendency to trade obstruction seems to be more serious than ever because of world trade and the economic system's evolution, especially economic competition and free trade adding to the pressure, he said.

Chuchip said further, "regarding multilateral trade negotiations which ended recently, they affected the direction of world trade trends to the free trade system." Adding, "there were several measures obstructing trade such as a requirement increasing the standard of products, checking more thoroughly the quality of products, and passing new measures prohibiting the import of foreign products."

"Moreover, trade and economic groups were extended continually where every country had to be the member of trading groups. This has had a positive and a negative effect on Thailand's trade," he said.

According to a lower export value reported in 1995, it is due to the fact that the export value for that year was assessed incorrectly and it is only a fall in the rate of export expansion. It is not a fundamental problem and the Commerce Ministry has prepared several measures to amend it, he said.

Currently, the Commerce Ministry provides the major exporting plans consisting of details of all exporting obstructions, exporting rules regulations, and the details of export tax problems. It searches for conclusions and makes proposals to the Cabinet to resolve them.

Thailand: Columnist Views Government Economic Performance

BK1307124396 Bangkok DAILY NEWS in Thai 12 Jul 96 p 3

["Fingertip" Column by Kamhaeng Khamphiranon: "Government of Deficit"]

[FBIS Translated Text] If you follow the current government's economic and fiscal management, you will realize that it is the biggest spending government of the century. This is not our remark but the remark of Anuson Thamchai, who has a master's degree in economics from the United States.

Anuson noted that the prime minister gave the instruction to increase the national budget total by 5 billion baht and has spent funds outside of the planned expenditure budget on many occasions, the latest of which was the 3 billion baht funding of the Don Muang Tollway Project. In addition to not observing financial discipline, the Banhan government has not been able to meet the revenue and tax collection targets. The problem with this is that the dark clouds of a budget deficit will loom on the horizon. Coupled with the current account deficit and the trade deficit, this problem — called a twin deficit — will cause economic decline, rendering the economic projections, particularly economic growth, to fall short of the targets. The government that follows the current path will feel the long lasting impact of this situation.

The United States has been suffering from a chronic twin deficit problem, and the Clinton administration is working to solve the problem. What is commendable is that the U.S. Government has not interfered with the Central Bank, and Central Bank Chief Greenspan is professional enough not to bend to political pressure to the point that his independence to manage the financial policy is compromised.

Anuson did not understand the purpose of establishing the committee for overseeing economic stability and security; he said it could only cause confusion and duplication. He assumed that the reason for its establishment was the psychological benefit. The government wants to show to the people that it is working to solve the economic decline — it is not ignoring the problem.

With the formation of the committee, he wondered what role is left for the Central Bank, whose traditional role is to tackle the current account deficit and inflation. If the committee's work interferes with the Central Bank, the prime minister is violating the principle that the Central Bank must have independence to perform its work.

The government has also pressured the Central Bank to cut interest rates. This amounts to tackling the wrong issue. This is an economic structure and development strategy issue and the issue of the gap between savings and investment. We over-consume and save too little; therefore, there must be financial, fiscal, and tax measures to reduce demand.

Let us look at the figures. The Banhan government's 1997 expenditure budget is 984 billion baht. However, the revenue collection is 10.913 billion baht below target — 5.675 billion baht from value added tax collection and 5.238 billion baht from corporate tax collection shortfalls.

Although the current national budget is not in deficit, if the current government continues in power a national

budget deficit is inevitable. The country will operate in deficit.

That is what Anuson believes about the economy and the government. However, we may find relief in the expectation that the government will not last very long, at least according to the younger brother of Sano Thianthong, the Chat Thai Party secretary general.

Thailand: Prime Minister Urges 'Speedy Conclusion' to Drug Probe

BK1607055896 Bangkok THE NATION in English 16 Jul 96 p A3

[Report by Parit Jamphongphaibun]

[FBIS Transcribed Text] The Public Inquiry Commission (PIC) received a note from the prime minister urging a speedy conclusion of its investigation into the alleged involvement of two prominent Chat Thai politicians in drug trafficking, the commission spokesman said yesterday.

Spokesman Prasit Khowilaikun pointed out that the move should not be interpreted as political interference but simply a check on the commission's progress.

Pricha Champarat, secretary-general of the Narcotics Control Board and concurrently the commission's secretary, is, however, scheduling the PIC's next meeting after a lapse of almost seven months, the spokesman disclosed.

The date of the next meeting will take time to finalize as each commission member has a very tight schedule, he added.

The PIC, an independent body chaired by veteran diplomat and former foreign minister Thanat Khoman, was established under a prime ministerial order early last year.

Soon after its establishment, Thanat resigned his post. He was reported to have quit because the government distanced itself from his famous UN speech where he blasted the US for its narcotics suppression policy and its discriminatory stand against drug producing countries.

Thailand: Thaksin Chinnawat Re-elected Phalang Tham Party Leader

BK1407152396 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 14 Jul 96

[FBIS Translated Text] Police Lt. Col. Thaksin Chinnawat was reelected as the Phalang Tham Party leader for another term. Party Secretary General Sudarat Keyuraphan was also reelected.

The Phalang Tham Party today held the annual ordinary meeting to elect a new party executive committee. Key members of the party, including Industry Minister Chaiwat Sinsuwong, former Communications Minister Phiraphong Thanomphongphan, and former party leader Maj. Gen. Chamlong Simuang, attended the meeting. Journalists were not allowed to cover the meeting. Participants were also not allowed to bring cameras, cassette recorders, and mobile telephones to the meeting room. The meeting lasted for about seven hours in selecting the new 25-member executive committee. Some participants nominated Maj. Gen. Chamlong Simuang and Police Lt. Col. Thakin Chinnawat for the party leadership post. But, Maj. Gen. Chamlong Simuang withdrew from the contest. As a result, Police Lt. Col. Thakin Chinnawat was reelected as the party leader with 117 votes. The deputy party leaders are Thawin Phraison, Chaiwat Sinsuwong, Pracha Khunakasem. The party secretary general post still belongs to Sudarat Keyuraphan. Sansani Nakphong is the party spokesman.

Thailand: Democrat Parliament Members Leave Military Budget Meeting

BK1607055596 Bangkok BANGKOK POST
in English 16 Jul 96 p 1

[Unattributed Report]

[FBIS Transcribed Text] Six Democrats walked out of a budget panel session in protest at the failure of military commanders to testify yesterday.

Bunchu Rotchanasathian, the Democrat deputy leader, led the walk-out when the Supreme Commander and commanders of the army, navy and air force sent their chiefs-of-staff instead.

Mr Bunchu was joined by Sirisak Onlamai, Kowit Tharana, Thanin Chaisamut, Kriang Kalanan and Rak Tantisunthon in the protest at the commanders' refusal to attend sessions on their spending programmes.

Defence Minister Chawalit Yongchaiyut told the panel chaired by Deputy Finance Minister Soemsak Karun, he had been unable to persuade the commanders to attend.

"They didn't listen to me, they're going to retire in September," said Gen Chawalit who suggested the Defence Council require commanders to show up from next year.

After the walk-out, Gen Chawalit held closed-door talks with Sanan Khachonprasat, the Democrat secretary-general, and Mr Bunchu.

Sano Thianthong, the Chat Thai secretary-general who remained at the session with three Chat Phatthana

members, said: "Whether or not Mr Bunchu comes back, we still have a quorum."

Defending the commanders he said: "The chiefs-of-staff are full generals. Let's have full democracy and not to go back to half-democracy any more."

All government figures, including Gen Chawalit and Mr Sano, said the no-show resulted from a communications failure.

Chai Chitchop, a Chat Thai member, said the armed services wrote to the panel last month that only the chiefs-of-staff would testify but the letter was delivered last week.

Vietnam

SRV: State President Receives U.S. Security Adviser
BK1307163596 Hanoi VNA in English
1530 GMT 13 Jul 96

[FBIS Transcribed Text] Hanoi VNA July 13 — State President Le Duc Anh received US National Security Adviser Anthony Lake this morning in Da Nang port city on the central coast.

President Anh welcomed the US security adviser's Vietnam visit which, he said, has contributed to further accelerating bilateral ties between Vietnam and the United States. He spoke of the Vietnamese people's desire to enjoy peace and stability to push up national construction and to pursue a foreign policy of openness and co-operation for mutual benefit on the basis of respect for independence and sovereignty of each country.

Anthony Lake said that over the past one year, the two countries' relations have seen new steps of development. He highly appreciated Vietnam's cooperation in the search for American servicemen.

SRV: Contract To Build Highway No.1 Bridges Signed

BK1307151796 Hanoi VNA in English
1501 GMT 13 Jul 96

[FBIS Transcribed Text] Hanoi VNA July 13 — A contract to build the first six bridges of national highway No.1 was signed here yesterday.

Signatories to the contract were Project Management Unit No.18 (PMU no.18), Japan's Sumitomo Construction Co. Ltd., and the Thang Long Bridge Construction Corp.

Construction of the six bridges with an estimated cost of VND 203.5 billion (roughly USD 18.4 million) is in the framework of the first among the three contracts

for the upgrade of 38 bridges on national highway No.1 with funding from Japan's Overseas Economic Cooperation Fund (OECF). The construction will start in early October and be completed after 25 months.

Bidding for the first contract was opened in January this year with the participation of seven domestic and joint venture contractors.

The six bridges with a total length of nearly 1,000 metres to be built in the Hanoi-Vinh section comprise the railway overpass, the Bridge spanning the day River Doan Vi Bridge, Do Len Bridge, Giat Bridge and Cam Bridge.

The second and third contracts for the reconstruction of 11 bridges along the Nha Trang-Ho Chi Minh City section and 19 others along the Ho Chi Minh City-Can Tho section will be signed soon with work expected to start in September this year.

Highway No.1 runs from Lang Son on the Sino-Vietnamese border in the north to the southernmost province of Minh Hai for a length of 2,300 kilometres.

SRV: Plan To Upgrade Noi Bai Airport Approved
BK1307113196 Hanoi Voice of Vietnam in English
1000 GMT 2 Jul 96

[FBIS Transcribed Text] Deputy Prime Minister Tran Duc Luong has approved to enlarge Hanoi's Noi Bai International Airport. Estimated investment capital for the project from 1996 to 2002 is about \$80 million.

SRV: Electricity Board Signs Agreements on Cooperation With Laos
BK1507083296 Hanoi VNA in English
0645 GMT 15 Jul 96

[FBIS Transcribed Text] Hanoi VNA July 15 — A memorandum of understanding on electric cooperation has recently been signed here by Chairman of the Management Board of the Vietnam Electricity Corporation Thai Phung Ne and Lao Chairman of the Energy and Power Council Khammon Phonkeo.

Under the memorandum, Laos will, by 2002 or 2003, have completed the construction of the Se Kong Hydro-Power Plant No. 4 or Se Kong Plant No. 5 with a designed capacity of 450 mw. They will then sell between 1.5 to 2 billion kwh to Vietnam each year for an agreed term of between 25 to 30 years.

SRV: Strikes Reported Countrywide in First Half of Year

BK1407135196 Hanoi Voice of Vietnam Network
in Vietnamese 2300 GMT 7 Jul 96

[FBIS Translated Text] A total of 29 strikes occurred countrywide over the past six months, including 18 in Ho Chi Minh City alone. Sam Yang, a 100 percent South Korean-invested company, topped the list with the highest number of strike participants. The main causes leading to those strikes rest with the fact that the company's owners did not comply with the Labor Code, violated workers' human dignity, or failed to live up to their commitments by delaying the signing of labor contracts or the payment of wages and bonuses or by increasing the number of working hours. In other instances, a number of foreign specialists committed acts of violence against or treated workers rudely.

SRV: Seven Bidders Win Treasury Bonds in Third Auction

BK1407152296 Hanoi VNA in English
1432 GMT 14 Jul 96

[FBIS Transcribed Text] Hanoi VNA July 14 — Seven out of 12 bidders on Thursday won in the third auction of one year treasury bonds worth VND [dong] 50 billion issued by the state bank.

The winners were Bao Viet Insurance Company, Vietnam Investment and Development Bank, Vietnam Bank for Foreign Trade (Vietcombank), Vietnam Reinsurance Company, and Vietnam Joint Stock Bank for Commerce and Technology, Sai Gon Industrial and Commercial Bank, and Mekong Bank.

The interest rate for the one year t-bond was set at 8.4 per cent per annum after the auction, 0.1 per cent lower than the second bid in late June. The interest of the first bid in early June was at 9.5 per cent.

The state bank, in conjunction with the Ministry of Finance, started a series of auctions to generate extra resources for long term investment capital.

SRV: Job Promotion Program Benefits Over 130,000 People

BK1607100496 Hanoi VNA in English
0800 GMT 16 Jul 96

[FBIS Transcribed Text] Hanoi VNA July 16 — Over 130,000 people have been employed through a national job promotion programme in the first six months of this year, according to sources from the Ministry of Labour, Invalids and Social Affairs (MOLISA).

These labourers are now working in 4,000 small-scale projects capitalised at VND 220 billion (roughly USD 20 million) established in all 53 cities and provinces across the country, eight mass and social organisations and the Ministry of National Defence.

Of the total projects, 1,718 received loans worth VND 65 billion (roughly USD 6 million) from the programme's fund for 1996. The remainder are provided with fund recovered from previous projects.

The national programme for job promotion outlined by MOLISA was implemented for four years and gained encouraging results. Ninety-five per cent of the projects could refund their loan on time. Only 0.1 per cent were unable to pay back their loans.

However, the current interest rate of loans under the programme has been raised to 0.9 per cent from 0.4 per cent at its commencement point, thus reducing the number of people borrowing money and benefiting from the programme.

SRV: Military Group B04 Training Activities Reported

962E0044A Hanoi QUAN DOI NHAN DAN
in Vietnamese 3 Apr 96 p 2

[Article by Ngoc Le and Kim Lien: "Realistic Training To Master the Use of Arms, Technical Equipment")]

[FBIS Translated Text] When we arrived at Group B04 (of Huong Giang Divisional Group), it had completed 15 days of the first phase of its 1996 training season. At every unit we visited, we noted a very buoyant atmosphere of training, with groups of soldiers totally immersed in studying every subject. From the training fields to the drilling grounds of each unit, every place resounded with training commands. Even at the command post of the 68th Regiment, we clearly heard the voice of Platoon Leader Luong Van Nam lecturing to new recruits on close order drill.

Taking us to the drilling field of the 10th Company, a unit of the 68th Regiment training exclusively in the use of artillery, Lt. Col. Duong Kien, deputy commander and chief of staff of the regiment, told us: The 68th Regiment, an artillery unit incorporated in a powerful main-force division, is armed with many types of modern weapons. For this reason, exploiting, skillfully handling, and mastering these types of weapons and equipment is a problem posed for all cadres and combatants of the unit.

- "Have you found a solution to the problem?" I asked.

- "It is really a hard nut to crack, but we've found the direction to follow and have obtained initial results. This

has been proven in reality by the training of troops in late 1995. In training, our unit has always closely followed the "basic, realistic, and steady" formula, attaching special importance to basic training and to training that is close to combat realities, and concentrating on practice. We've organized the training of each combatant and each prime mover and gun crew member, have closely linked theory and practice in each position, and have boldly allowed troops to practice at once on every type of technical equipment.

To ensure high training efficiency right in the first days, this year the B04 Division [alternative name of Group B04] has attached special importance to preparation, from organizing cadre training to readying drilling fields, driving grounds, equipment, and teaching aids.... The division has concentrated on improving platoon and squad leaders' capability to do practical work and deal with different situations. It has attached much importance to and brought into play technical innovations in preparing teaching aids; many innovations have been used in training by various units and have yielded good results. For example, the division has improved sand tables for use in combat training of various types of motor vehicles on different terrains by introducing an electronic control system; has improved the equipment used in controlling infantry-weapon target practice; and has built miniature weapon components and models to provide better visual aids for learners.

Exchanging opinions with us on troop training methods, Capt. Luong Van Chien, a platoon leader of the 10th Company, 68th Regiment, told us: To ensure effective troop training and enable troops to master and skillfully use various types of equipment and weapons, there is nothing better than bringing soldiers close to combat situations, improving their practice on all types of equipment, and gradually developing their skills. Only in this way can soldiers master the different types of weapons and equipment issued to them.

Cpl. Vo Anh Quyet, a young man from Hanoi, affirmed: "Only practice, a lot of practice, can help us acquire proficiency. For us, in addition to a good grasp of theory, practice is the decisive factor in achieving fine results in training; at the same time, we must be specially trained for each specific position."

Col. Hoang Kim That, deputy division commander for political affairs, told us: In 1996, in training the B04 Division focuses on those aspects and subjects in which it did poorly in 1995. For example, it concentrates on improving the skills of its drivers to see to it that each of them can drive hundreds of kilometers on all terrains while meeting both safety and tactical requirements. The division also concentrates on improving the leader-

ship of vehicle commanders, making sure that they can command both motor vehicles and infantry when necessary....

Aside from concentrating on training troops according to combat realities and the tasks of each unit and developing their skills as required by each position, the division has also done a good job of monitoring and assessing the results of each unit in training. Everyday, companies organize group exercises and make observations about each individual and collective, while battalions and regiments inspect their companies on Tuesdays and Thursdays; on Saturdays, regiments inspect the teachers and cadres directly participating in troop training, make specific, detailed observations, and give timely instructions to various units. For this reason, the quality of this year's training has improved substantially. Although the division has not spent much time in training, thanks to what they have learned, its troops can now handle their weapons and equipment in a fairly skilled manner. We had a chance to watch Cpl. Ta Van Thanh, a member of the 10th Company, 68th Regiment, practice computing, reporting coordinates, and pinpointing enemy targets for our artillery to destroy. Thanh's movements were dexterous, quick, and precise. In less than 50 seconds, he had finished calculating and was able to report coordinates to his commander. Watching the movements of soldiers in assembling and adjusting their guns and in computing firing data according to their commander's orders, I realized that their work was an expression of the resolve of each cadre and combatant of Group B04 to satisfactorily fulfill the task of giving a demonstration for The Ministry of National Defense toward the end of this year.

SRV: Newspaper Urges Stricter Inspection of Military Training

962E0046A Hanoi QUAN DOI NHAN DAN
in Vietnamese 3 Apr 96 pp 1,4

[editorial: "Strictly Manage the Contents, Planning, Number of Trainees, and Length of Training")]

[FBIS Translated Text] Our entire army has now entered the second month of the new training year. Owing to careful preparation, various units are carrying out their training tasks in a fairly successful manner, making sure that training proceeds according to plan. However, to ensure the quality of training, commanders and military training organs at all levels should further strengthen control and supervision and strictly manage the planning, contents, number of troops, and time of training; on this basis, they should exert substantial control over the training of every unit in each subject. This is one of the most important measures aimed at

both standardizing training and upholding the sense of responsibility of cadres and combatants for their training task.

1996 is the seventh year of our entire army's efforts to comprehensively renovate its training task. Our cadres' and combatants' perception of their training task has improved. The contents of training as well as the methods of organizing training have been stabilized and unified in the entire army. Textbooks, teaching aids, and other material conditions essential for training have registered a significant increase. These are very basic factors in administering and managing training in a strict and uniform manner, thereby creating a moving force for improving the quality of training.

Experience gained in the management of training over the past years has shown that to manage well we must strengthen the control and inspection of the training organization process at the basic units. It is necessary to overcome the practice of managing only the records by basing oneself on reports filed by units. In reality, some units reported exceptional achievements in training, but further investigation eventually proved that such reports were not totally accurate or that, worse still, there even remained many weaknesses and deficiencies in training. The phenomenon of reducing the number of troops to be trained as well as the length and contents of training still exist in some units. In particular, many units have not focused on training in some tactical theories and on physical education, but have attached great importance only to subjects in which they are likely to record concrete achievements such as target practice and other technical subjects. Many units have not strictly followed regulations concerning the amount of time to be devoted to training at night and field marches. Such a noncomprehensive training method can never improve troops' fighting ability.

Therefore, the task of managing, controlling, and supervising units in discharging their training tasks should be carried out in a comprehensive, regular, and selective manner. In organizing inspections of training at units, we must be in direct contact with specific cadres and combatants on the training fields. Lower-level commanders and military training organs must create every favorable condition for the upper levels to inspect their units. After inspection, it is necessary to achieve unanimity in evaluating strengths and weaknesses, and corrective measures should be adopted without delay. Concerning those subjects in which training has been unsatisfactory and those cadres and combatants who have not received sufficient training in terms of length and subject, the units concerned should organize supplementary training for them. It should be affirmed that the highest aim of control and inspection is to standardize training

and further improve its quality. Therefore, control and inspection are not aimed only at assessing and controlling the quality of training of units but also at helping them overcome the difficulties arising in the training process and creating every condition for troops to finish all training subjects as best they can.

At present, our entire army is launching a lively emulation movement to record achievements in honor

of the party congresses at various levels. For this reason, all units should link the contents of their emulation efforts with the fulfillment of their training tasks and bring into full play their troops' sense of self-consciousness in study and training to resolutely score the highest possible achievements in fulfilling the first-phase training plan.

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